

10027. By Mr. BOHN: Petition of citizens of Detour, Mich., favoring the stop-alien-representation amendment to the United States Constitution; to the Committee on the Judiciary.

10028. By Mr. DAVENPORT: Petition of Rev. N. A. Darling and 110 other citizens of Oneida County, N. Y., favoring the so-called stop-alien-representation amendment; to the Committee on the Judiciary.

10029. By Mr. DELANEY: Memorial of the Senate and House of Representatives of the State of Oregon, urging that foreign goods be stopped from coming into the United States at the expense of the closing of our factories, and that the distress of our citizens be permanently relieved by returning them to work at suitable rates of pay; to the Committee on Ways and Means.

10030. Also, petition of the memorial and executive committee of the United Spanish War Veterans of Brooklyn, N. Y., urging the inclusion in the Navy Department appropriation bill of \$600,000 to be used in the training of the Naval Militia; to the Committee on Appropriations.

10031. Also, petition of the Geo. E. Sherman Co. (Inc.), of Brooklyn, N. Y., protesting against the amendment relating to oils and fats in House bill 13991; to the Committee on Agriculture.

10032. By Mr. FITZPATRICK: Petition of the Bronx Chamber of Commerce, favoring the restoration of first-class postal rates to 2 cents an ounce; to the Committee on Ways and Means.

10033. By Mr. GARBER: Petition of the Oregon State Legislature, urging immediate legislative action to stop foreign goods coming into this country at the expense of the closing of our factories and the unemployment of our people, and that the distress of our citizens be permanently relieved by returning them to work at rates of pay and under working hours which will help bring about prosperity in the United States; to the Committee on Ways and Means.

10034. Also, petition of the Miami Beach Chamber of Commerce, Miami Beach, Fla., urging enactment of House bill 11642; to the Committee on Claims.

10035. Also, resolutions adopted at joint meeting of Foreign Trade Club of North Texas and foreign relations committee, Dallas Chamber of Commerce, vigorously protesting against any curtailment of the activity of the Dallas district office of the Bureau of Foreign and Domestic Commerce, and indorsing the Dallas office as an essential service organization to the exporters and shippers of this territory; to the Committee on Interstate and Foreign Commerce.

10036. Also, petition of J. P. Anderson, Logan, Okla., insisting upon the imperative necessity for enacting legislation to stop farm-mortgage foreclosures; to the Committee on Banking and Currency.

10037. Also, petition of the Senate of the State of Oregon, urging payment of the soldiers' bonus; to the Committee on Ways and Means.

10038. Also, petition of the Legislature of the State of California, urging enactment of legislation restoring the public lands within the external boundaries of naval petroleum reserve No. 2, as now constituted, to the public domain of the United States, and transferring the jurisdiction over and the administration thereof and of all leases thereof to the Secretary of the Interior, and revoking and repealing any and all Executive orders and acts of Congress creating or confirming the creation of said naval petroleum reserve No. 2; to the Committee on Expenditures in the Executive Departments.

10039. Also, petition of L. C. Fish, Helena, Okla., urging enactment of legislation to refinance the farm-mortgage indebtedness of the country; to the Committee on Banking and Currency.

10040. Also, petition of the Woman's Christian Temperance Union of Claremore, Okla., urging continued support of the dry cause; to the Committee on the Judiciary.

10041. Also, petition of the board of directors of the Enid Chamber of Commerce, indorsing Garber bill, H. R. 14343, to repeal the tax on bank checks, and H. R. 14344, to restore

the 2-cent rate of postage on first-class mail matter, and letter from T. T. Eason, president, Eason Oil Co., Enid, Okla., indorsing H. R. 14343 and H. R. 14344; to the Committee on Ways and Means.

10042. Also, petition urging the enactment of railway pension bills, S. 4646 and H. R. 9891; to the Committee on Interstate and Foreign Commerce.

10043. By Mr. HANCOCK of New York: Petition of Alfred G. White and other residents of Onondaga County, N. Y., favoring the stop-alien-representation amendment to the Constitution; to the Committee on the Judiciary.

10044. By Mr. LAMBERTSON: Petition of the Topeka Central Woman's Christian Temperance Union, Topeka, Kans., signed by its president, Anna B. Fisher, and its secretary, Mrs. E. E. Wiede, favoring the improvement of the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

10045. Also, petition of the Woman's Christian Temperance Union of Denison, signed by its president, Mrs. W. O. Ferguson, and its secretary, Mrs. S. C. Tharp, of Denison, Kans., favoring the improvement of the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

10046. By Mr. LUDLOW: Petition of citizens of Indianapolis, Ind., urging opposition to the legalization of beer or modification or repeal of the eighteenth amendment; to the Committee on the Judiciary.

10047. By Mr. McFADDEN: Petition of the Thirty-seventh Legislative Assembly of the State of Oregon, Senate Joint Memorial No. 1, to stop foreign goods coming into the United States and thereby help the factories and unemployment situation in the United States; to the Committee on Ways and Means.

10048. Also, petition of the Thirty-seventh Legislative Assembly of the State of Oregon, Senate Memorial No. 1, favoring the immediate payment of the soldiers' bonus; to the Committee on Ways and Means.

10049. By Mr. RUDD: Memorial of the Legislature of the State of Oregon, favoring immediate payment of the soldiers' bonus; to the Committee on Ways and Means.

10050. Also, memorial of the Legislature of the State of Oregon, favoring certain legislation in connection with the antidumping act; to the Committee on Ways and Means.

10051. By Mr. SANDERS of New York: Petition of citizens of Monroe County, N. Y., opposing any reduction in the enlisted strength of the United States Marine Corps; to the Committee on Appropriations.

10052. By Mr. SPENCE: Petition of William Cummings and others, of Covington; Nell McInerney, of Ludlow; Jack J. Flesch, of Latonia; Alice Chappius, of Cold Springs; August T. Schiften, jr., of Fort Mitchell; Joseph Moran and others, of Bellevue; Lucille Palmer and others, of Newport; and B. E. Kettler, of Fort Thomas, all of the State of Kentucky, requesting the valuation of the gold ounce, etc.; to the Committee on Coinage, Weights, and Measures.

10053. By the SPEAKER: Petition of L. F. Harris, requesting an investigation of the official conduct of United States District Judge William Bondy; to the Committee on the Judiciary.

## SENATE

TUESDAY, JANUARY 31, 1933

(Legislative day of Tuesday, January 10, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 14359. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the

United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and

H. R. 14416. An act to make the Federal gasoline tax effective until June 30, 1934.

#### READING OF WASHINGTON'S FAREWELL ADDRESS

The VICE PRESIDENT. Pursuant to the order of the Senate of January 24, 1901, the Chair designates the Senator from Illinois [Mr. GLENN] to read Washington's Farewell Address on February 22 next.

#### CALL OF THE ROLL

Mr. BINGHAM obtained the floor.

Mr. FESS. Mr. President, will the Senator yield to me to make the point of no quorum?

Mr. BINGHAM. I yield to the Senator for that purpose.

Mr. FESS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Dale	Kendrick	Sheppard
Austin	Davis	Keyes	Shipstead
Bankhead	Dickinson	King	Shortridge
Barbour	Dill	La Follette	Smith
Barkley	Fess	Lewis	Smoot
Bingham	Fletcher	Logan	Stelwer
Black	Frazier	Long	Stephens
Bialne	George	McGill	Swanson
Borah	Glass	McKellar	Thomas, Idaho
Bratton	Glenn	McNary	Thomas, Okla.
Brookhart	Goldsborough	Metcalf	Townsend
Broussard	Gore	Moses	Trammell
Bulkley	Grammer	Neely	Tydings
Bulow	Hale	Norris	Vandenberg
Byrnes	Harrison	Nye	Wagner
Capper	Hastings	Oddie	Walcott
Caraway	Hatfield	Pittman	Walsh, Mass.
Carey	Hawes	Reed	Walsh, Mont.
Connally	Hayden	Reynolds	Watson
Coolidge	Hebert	Robinson, Ark.	Wheeler
Copeland	Howell	Robinson, Ind.	White
Costigan	Hull	Russell	
Couzens	Johnson	Schall	
Cutting	Kean	Schuyler	

Mr. FESS. Mr. President, I desire to announce that the Senator from Missouri [Mr. PATTERSON] is necessarily absent because of a death in his family.

I also desire to announce that the Senator from South Dakota [Mr. NORRICK] is detained in the Committee on Banking and Currency.

The VICE PRESIDENT. Ninety-three Senators have answered to their names. A quorum is present. The Senator from Connecticut [Mr. BINGHAM] has the floor.

#### DISTRIBUTION OF GOVERNMENT-OWNED COTTON—CONFERENCE REPORT

Mr. KING. Mr. President, the Senator from Connecticut has yielded to me for a moment. Some time ago H. R. 13607, to authorize the distribution of Government-owned cotton to the National Red Cross and other organizations for the relief of distress, passed the House and came to the Senate. Several amendments were made to the bill and it was passed and subsequently a conference had between the two Houses. The conferees reported back to the Senate accepting the position of the House and repudiating the action of the Senate. The conference report, during my temporary absence from the Chamber, was called up and adopted. I subsequently and on the same day submitted a motion to reconsider the vote, and that motion is now pending. I desire to proceed with the consideration of the motion.

I thank the Senator from Connecticut for yielding.

Mr. BINGHAM. Mr. President, I understand the Senator from Utah has now moved to reconsider the vote whereby the conference report was adopted. In opposition to the motion I would like to state one or two facts from the Red Cross. On the authority of Judge Payne, chairman of the Red Cross, it was stated on January 28 that the duty imposed upon the Red Cross of distributing clothing from 500,000 bales of cotton to needy people of the United States has been carried out as economically and as effectively as possible. He stated further:

We have purchased to January 20, 1933, chiefly from manufacturers, 56,850,664 yards of cotton cloth and 2,038,643 dozens of finished garments.

The Senator from Utah stated yesterday that a large part of the cotton which had been originally assigned to that organization under the bill last year had not been used. In reply to that may I quote from the testimony of Judge Payne before the House committee:

Mr. PURNELL. What percentage of the requests for cloth have you been able to meet?

Mr. PAYNE. That is a difficult question, because we estimate that the 500,000 bales that we have had to distribute would only meet a little over 20 per cent of the demand; so that we send to the chapters first the cloth for making the clothing and then the garments which they ordered specifically, and leave it to the chapters to distribute to the most needy.

Mr. PURNELL. Then you still have needs in each community unsatisfied?

Mr. PAYNE. Oh, yes.

Mr. PURNELL. How far will this 329,000 bales go toward satisfying the demand?

That is, the amount in the bill now before us.

Mr. PAYNE. Well, there will still be a very large demand.

Mr. PURNELL. As much as 50 per cent?

Mr. PAYNE. We have discussed that, and according to the best estimate that we can make on the facts which are presented by the reports of the chapters and which come to us otherwise, we think the need would require 2,000,000 bales.

In another place in the testimony before the House committee Judge Payne stated that at that time, and the date was December 13 of last year, they had actually used up by commitments all the 500,000 bales except 33,000 bales. They were drawing it from time to time so that at the present time they have nothing to distribute.

The need is very great, and I trust there will be no delay in discussing the matter. I was not one of the conferees, but the Senator from South Carolina [Mr. SMITH], who was in charge of the conference, is here. I trust the matter may be disposed of speedily and that the motion of the Senator from Utah will not prevail.

Mr. MCKELLAR. Mr. President, before the Senator from Connecticut takes his seat I desire to ask him a question.

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Tennessee?

Mr. BINGHAM. I yield.

Mr. MCKELLAR. How much money will go to the Farm Board under the conference report?

Mr. BINGHAM. Will the Senator address his question to the Senator from South Carolina, who was in charge of the bill in conference? I may say to the Senator that my only interest in the matter is to secure this cotton for bedding and clothing for the unfortunate during the winter. I have no interest whatever in the Farm Board, and took no part whatever in the drafting of the bill nor in its consideration in conference. I only ask that we get the matter settled promptly.

Mr. MCKELLAR. I am in entire harmony with the Senator's position in that. I think we ought to get the bill through at the earliest possible moment, but I am not in favor of this appropriation going into the hands of the Farm Board. It is as to that point that I desire to ask my friend from South Carolina the question, How much will go to the Farm Board under the conference report?

Mr. SMITH. Mr. President, the conference report provides for the payment of the amount the Farm Board borrowed on this cotton plus the overhead. That was accepted rather than the Senate provision, that it would be paid for at the market price. Under the provision accepted there will be paid the amount of money the Farm Board had borrowed on this cotton or obligated themselves for, plus the overhead to date; and under those terms I do not know whether, as a matter of fact, the Farm Board will receive anything or not. It seems to me that under the terms of the bill they will be likely to lose the difference between the price paid for the cotton to individual producers who turned it over to them and the liens and other charges against it.



Mr. McKELLAR. They will lose that, anyway.

Mr. SMITH. They will.

Mr. McKELLAR. Suppose they sold it on the market today, that loss would accrue to them, of course.

Mr. SMITH. Of course.

Mr. McKELLAR. Why should the Government step in now and appropriate money for their benefit to that extent?

Mr. SMITH. As I understand, it is just returning to them or obligating to give them what they have borrowed on this cotton and what the overhead amounts to up to date.

Mr. McKELLAR. Last year we specifically provided that that should not be done. I do not just understand how the Senate conferees were willing to adopt a different plan this year. Last year we provided for the market price, and in the Senate this year we simply adopted the same provision we adopted last year. The conferees have changed that, and have arranged it so that the Farm Board will be held harmless against any loss on this cotton. I think that is unfair and unjust to those of us who desire to give this cotton to charity. In other words, apparently, the Farm Board has undertaken to force the Congress to appropriate for their losses because we want to use this cotton for charitable purposes.

Mr. SMITH. I think the Senator, perhaps, is mistaken. I think the only thing the bill now provides is that the Farm Board shall be reimbursed or be allowed to credit itself only with the actual money they borrowed from the banks or those who loaned them the money, plus the overhead, which includes storage, interest, insurance, and so forth.

Mr. McKELLAR. If we are willing to pay for that there is no reason why that should not be done, but they are asking not only for that but they say, "If you want this cotton you must pay all we owe on it, all the charges on it, and in addition to that you must pay what we have lost on it."

Mr. SMITH. I do not think that is correct.

Mr. McKELLAR. That is exactly what the conference report means. We will have the figures here in just a moment; the Senator from Utah [Mr. KING] will present them.

Mr. TYDINGS. Mr. President, may I ask the Senator a question?

The VICE PRESIDENT. Does the Senator from Tennessee still retain the floor?

Mr. McKELLAR. No; I yield the floor.

The VICE PRESIDENT. The Senator from South Carolina is recognized.

Mr. TYDINGS. Will the Senator from South Carolina yield?

Mr. SMITH. I yield.

Mr. TYDINGS. I understand that we are loaning to communities that need assistance from the Federal Government large sums of money. Is it not possible with these large sums of money to acquire the very materials which the bill now before us would give to distressed communities for a sum of money approximating that which it would cost the Government under the Senator's proposal?

Mr. SMITH. Mr. President, as I said in the committee when this matter was being considered, I think, from the standpoint of the Government, it would have been cheaper and more sensible for us to have appropriated money and gone into the market and bought the cotton at the market price; but, no matter what line we follow, the Government stands to lose the amount of money invested in this cotton, whether we take it out of the Farm Board or whether we go on the market and buy it, because the funds of the Farm Board are Government money, and Government money is required if we go and buy the cotton. When the question arises as to the difference between paying the Farm Board the market price for the cotton and the amount of money they borrowed plus overhead and interest—not the value of the cotton, but the amount they had borrowed on it, the amount they had obligated themselves to outside parties for the purpose of carrying the cotton, the interest and storage charges that had accrued, the latter, in my opinion, would be less than the market price.

Mr. TYDINGS. Mr. President—

The VICE PRESIDENT. Does the Senator from South Carolina yield further to the Senator from Maryland?

Mr. SMITH. I yield the floor.

Mr. TYDINGS. I think that one of the troubles about relief is that there is no well-considered, ordered campaign for relief. First, we appropriate money and then we supplement that with wheat, and then we supplement it with cotton. It looks to me as if there were no coordination or business policy back of the relief program.

I am not criticizing the particular motion which is pending nor the motive which prompts it, but I think now is the time that we should formulate some general relief policy and not have these hodgepodge measures going through here without the consideration they ought to have.

Mr. KING obtained the floor.

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Florida?

Mr. KING. I yield.

Mr. FLETCHER. I should like to inquire whether the amount loaned on this cotton exceeds the market price?

Mr. KING. I will answer that question in a few moments.

Mr. President, some Senators may not be fully advised as to the matter in controversy in connection with the matter now before us. The objection to the conference report does not relate to the question of whether a small appropriation should be made for the purchasing of cotton to aid those in distress. I might add, however, that it would be far better, as indicated by the Senator from South Carolina, to appropriate directly from the Treasury such sums as we conceive to be proper and then purchase either the cotton or buy the clothing into which it is designed the cotton shall be manufactured and make distribution of that to those who are in distress than to follow the plan presented in the House bill.

Some Senators may be under the impression that the opposition to the conference report is directed against the provision of the House bill which authorizes the use of 350,000 bales of cotton for the purpose of manufacturing clothing for distribution to the needy. The bill as it passed the House contains a provision that 350,000 bales of cotton now owned by the Farm Board or its agent, the Cotton Stabilization Corporation, but against which there are liens of a considerable sum, shall be delivered to the Red Cross to be used by it in obtaining clothing for distribution to the needy throughout the United States. That bill further provided that the money to pay these charges shall be taken from the Treasury of the United States. In other words, the bill appropriated or authorized the appropriation of approximately ten or eleven million dollars to pay charges and liens against cotton owned by the Farm Board or its agent in order that the cotton might be used by the Red Cross to exchange for clothing. When the bill came to the Senate, the Senator from Tennessee offered an amendment, which was modified, under the terms of which the money should come out of the revolving fund of the Farm Board and not out of the Treasury of the United States.

It is true, as my friend has just stated, that the United States appropriated the money expended and to be expended by the Farm Board, but I insisted, as did the Senate, that the money required to pay these charges and liens against the cotton should be taken from the revolving fund of the Farm Board and not from the Treasury of the United States.

Mr. President, the figures to which reference was made—

Mr. SHORTRIDGE. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from California?

Mr. KING. I yield.

Mr. SHORTRIDGE. Is there a considerable sum in the revolving fund for that purpose?

Mr. KING. I will come to that, if the Senator will pardon me, but I will say now categorically, yes.

Mr. TYDINGS. Does the Senator intend to offer an amendment to carry that out?

Mr. KING. A motion to reconsider is pending, and at this stage an amendment is not in order.

Mr. President, I have obtained this morning from the Treasury of the United States figures showing that there is in the Treasury of the United States to the credit of the Farm Board \$28,680,938. This sum is "earmarked" and is a part of the \$400,000,000 appropriated to the Farm Board. I am opposed to now appropriating ten or eleven million dollars from the Treasury of the United States to pay the debts of the Farm Board or its agent when it has \$28,680,000 plus to its credit in the Treasury of the United States.

The Farm Board loaned to the Stabilization Corporation a sufficient sum to purchase a large quantity of cotton, a portion of which is the 350,000 bales referred to in this bill before us. It took security, notes, and collateral from the Stabilization Corporation for the money which was loaned for the purchase of this cotton. The Stabilization Corporation, after purchasing the cotton, incurred obligations in part due to the enormous salaries of officers and employees of the corporation, the president of which received \$75,000 a year, but which has been reduced, I understand, to \$50,000; and to pay for the purchase of additional cotton. At any rate the Stabilization Corporation, which is a creature of the Farm Board, borrowed upon the 350,000 bales of cotton—and it also borrowed upon all the cotton which it purchased—as I am advised, a sum amounting to \$8,750,000. In addition, as a representative of the Farm Board told me, there are various charges amounting to \$520,000, which constitute a lien upon the cotton. In addition, it will require \$1,400,000 to pay for the carrying charges and delivery of the cotton.

Mr. BANKHEAD. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Alabama?

Mr. KING. I will yield in a moment. The aggregate, therefore, charged against this cotton is \$10,670,000. Those are the liens and charges against this cotton which I insist shall be paid by the Farm Board out of the \$28,000,000 plus which it has in the Treasury.

The Senate adopted this view and so amended the bill, but the conference committee promptly rejected the Senate's views and declared that the liens and charges should be paid by the United States, and that additional taxes shall be levied upon the people to meet the same.

Mr. BANKHEAD. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Alabama?

Mr. KING. I yield.

Mr. BANKHEAD. I should like to know, if the Senator has figured it, what the cotton cost, per pound, under the conference report.

Mr. KING. That is not material, as I see the question. I do not know what it did cost per pound.

Mr. BANKHEAD. It is very material when we consider whether that is the best way to get the cotton, or to go out in the market and buy the cotton.

Mr. KING. In that sense, yes; there are those who believe it would be better for the taxpayers and for those who grow cotton to appropriate enough to purchase the clothing which will be obtained by the Red Cross by using the 350,000 bales of cotton than to adopt the plan provided in the bill before us. It is claimed that four or five million dollars would purchase as much clothing as the Red Cross will obtain by the use of the cotton provided for in this bill, and that such course would stimulate the market to the advantage of the cotton producers. The charges against the cotton to date amount to at least \$25 per bale. What they will be at the time of delivery no one can tell, but it is figured that they will amount to \$1,400,000.

Mr. BANKHEAD. What is the total cost?

Mr. KING. The total liens and charges against this cotton to-day amount to \$10,670,000.

Mr. BANKHEAD. May I ask whether any other payments are required under this conference report besides the liens?

Mr. KING. I think not.

Mr. BANKHEAD. How many bales of cotton are there?

Mr. KING. Three hundred and fifty thousand. The issue before us is very narrow; and I appeal to the Senator from Connecticut [Mr. BINGHAM], who is asking for economy, not to dip into the Treasury of the United States in its depleted condition, and take out approximately \$11,000,000, to be used in paying debts of the Farm Board and its agents, thus adding to the stupendous appropriation of \$500,000,000 which the Farm Board has already received, when it has \$28,000,000 plus in the Treasury of the United States to-day from which the payment should be made.

Mr. SWANSON. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Virginia?

Mr. KING. I yield to the Senator.

Mr. SWANSON. As I understand, if we take out of the Treasury and turn over to the Farm Board the amount necessary to pay for this 350,000 bales of cotton, that will be added to their fund with which they conduct operations; whereas if we require the Farm Board to furnish the cotton out of this \$28,000,000 it has on hand, it will discontinue the operations of the Farm Board to that extent.

Mr. KING. Exactly.

Mr. SWANSON. And the only object of this procedure is to have another conference, to see if we can not stop the operations of the Farm Board to that extent. That is the issue; is it not?

Mr. KING. I think the Senator, with his usual clarity of expression and keenness of perception, has indicated the principal point at issue in the matter. The real question is, Shall the view of the House and the Senator from Connecticut [Mr. BINGHAM] prevail—shall we tax the taxpayers of the United States \$11,000,000 more in order to give it to the Farm Board, when the Farm Board, after expending more than \$300,000,000 plus, much of which was lost and wasted, still has \$28,000,000 to waste or expend. I insist, the Senator from Tennessee [Mr. McKELLAR] insists, and the Senate insisted, that the tax burdens of the people should not be added to by compelling them to pay the \$11,000,000 required to discharge the liens referred to, but that the Farm Board should meet the existing obligations.

Mr. WALSH of Massachusetts. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Massachusetts?

Mr. KING. I yield to the Senator.

Mr. WALSH of Massachusetts. I desire to make an inquiry about another phase of this matter.

Yesterday evening I was in conference with the chairman of the Stabilization Corporation. I was seeking to arrange for the storage of some of this cotton in New England, so that it should be more easily available to the cotton mills. He informed me—and I desire the Senator's opinion about it—that if this bill was enacted the Stabilization Corporation would be out of the cotton business; that there would be no more cotton for them to handle or dispose of. The reason of my inquiry is to find out whether the Senator is in accord with that sentiment; and if so, why should we not abolish the Stabilization Corporation?

Mr. KING. Mr. President, if the obtaining of this 350,000 bales of cotton will result in the stabilization cotton organization having no more cotton to dispose of, we can accomplish the same result by adhering to the Senate amendment. I regret that I have not made myself clear.

Mr. McKELLAR. Mr. President—

Mr. WALSH of Massachusetts. I did not want to discuss the Senate amendment. What I wanted to bring out was whether or not this bill was leading in the direction of getting us out of the cotton business as a Government function.

Mr. KING. Of course, Mr. President, if we take money out of the Treasury of the United States and go out and



buy cotton of the Stabilization Corporation with liens upon it amounting to \$11,000,000, then to that extent we get the Stabilization Corporation out of the cotton business and the Farm Board out of the cotton business; but we are doing it at the expense of the taxpayers of the United States. We have already taxed them \$500,000,000. The Farm Board has squandered it all but \$28,000,000, which is in cash and in the Treasury. I am insisting that we take the \$11,000,000 out of the \$28,000,000 that is left of the original \$500,000,000 and pay these charges, and then the cotton will be delivered to the Red Cross just the same as if the House bill prevailed.

Mr. WALSH of Massachusetts. I understand that; but what I am trying to ascertain is, Is there a possibility now, with these bales of cotton being passed over to the Red Cross, of getting the Stabilization Corporation out of the cotton business for all time?

Mr. KING. It may require legislation. We ought to abolish the Farm Board; and with the abolition of the Farm Board the activities of the Stabilization Corporation and the Wheat Corporation would soon come to an end.

Mr. McKELLAR and Mr. SHORTRIDGE addressed the Chair.

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. KING. I yield to the Senator from Tennessee. Then I will yield to the Senator from California.

Mr. McKELLAR. If the Senator will allow me, I will answer the question which the Senator from Massachusetts has just asked.

The Stabilization Corporation, according to its last report, has 1,300,000 bales of cotton. We appropriated last summer 500,000 bales of cotton to be used by the Red Cross. That reduced the amount to 800,000 bales. To take away this 350,000 bales will leave 450,000 bales of the stabilization cotton still in existence, unless within the last few weeks the Stabilization Corporation has disposed of some of it.

Mr. WALSH of Massachusetts. That is not in accordance with the information given me.

Mr. McKELLAR. That is in accordance with the facts.

Mr. WALSH of Massachusetts. The information given me was that this would take all of the cotton which the Stabilization Corporation controls.

Mr. SMITH. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from South Carolina?

Mr. KING. I yield to the Senator from South Carolina.

Mr. SMITH. In addition to the cotton that has been allocated to the Red Cross, the Stabilization Corporation has been liquidating its holdings in the market; and that, in addition to what has been donated or allocated, whatever we may call it, to the Red Cross, has brought them down to where they practically are ready to close up the stabilization activities and go out of business.

Mr. WALSH of Massachusetts. I am glad to have that information. That is in conformity with the information given me, namely, that when this cotton is passed over to the Red Cross they will be ready to go out of business.

Mr. SMITH. Yes.

Mr. KING. There is no doubt that the activities of the Stabilization Corporation in dealing with cotton have demoralized and disturbed the market, and the quantity which it has held over the heads of those who have cotton to sell has had a most depressing effect. I am now asking that we disagree to the conference report and send the matter back to conference, so that the views of the Senate, unanimously expressed, may be further considered. I can not help but believe that a further conference will lead to the acceptance of the views of the Senate, and thus save the taxpayers at least ten or eleven millions of dollars. A conference could be had and within a day or so a report submitted which would, it is to be hoped, be of advantage to the people of the United States, and provide for the cotton in question to be delivered to the Red Cross.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator from Utah a question?

Mr. KING. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. The Senator has just stated that if the conference report be not agreed to, an arrangement will be readily and promptly made that will obviate the payment to the Federal Farm Board of this \$12,000,000, or approximately that amount. I wonder if the Senator intended the Senate to understand that he is assured that a conference agreement can be made with such an arrangement.

Mr. KING. Mr. President, perhaps I spoke with an assurance which may not be justified; but in view of the platform declarations that we have made respecting the Farm Board and its abolition, and in view of our platform declarations in favor of economy, and in view of the difficulties we are encountering now to balance the Budget, it seemed to me that the conferees would immediately agree upon the Senate bill and require the Farm Board to discharge the loans and charges referred to, thus saving the taxpayers approximately \$11,000,000.

Mr. ROBINSON of Arkansas. The gist of the Senator's statement as I quoted it is a controlling consideration, as I see it. I should not like to vote to reconsider, and recommend this bill to conference, unless some assurance can be given that a different result may be anticipated. In other words, if this cotton is to be made available for purposes of the Red Cross, it ought to be done as promptly as practicable.

Mr. SMITH. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from South Carolina?

Mr. KING. I promised to yield first to the Senator from California [Mr. SHORTRIDGE]. Then I will yield to the Senator from South Carolina.

Mr. SHORTRIDGE. Mr. President, the question put by the Senator from Arkansas, and the responses made, have cleared up in my mind what I intended to have developed. As I understand the statement of the Senator from Utah, the Farm Board now has available funds to meet this requirement.

Mr. KING. Yes; \$28,680,000 plus in the Treasury.

Mr. SHORTRIDGE. Exactly; but that amount must be devoted to removing the liens that are now resting on the cotton in question.

Mr. KING. I insist that that shall be done, whereas the House bill says that we shall take it out of the Treasury of the United States.

Mr. SHORTRIDGE. I understand the Senator. In other words, who has the cotton now?

Mr. KING. The Stabilization Corporation, an agent of the Farm Board.

Mr. SHORTRIDGE. And there is a lien amounting to how much?

Mr. KING. Approximately \$10,670,000 lien for costs and charges.

Mr. SHORTRIDGE. Precisely. The end in view is to get this cotton into the hands of the needy?

Mr. KING. Yes; into the hands of the Red Cross, so that they may make contracts for the purpose of obtaining clothing to distribute to the needy.

Mr. SHORTRIDGE. Precisely. In order to accomplish that end this lien must be removed, and the Senator's contention is that the Farm Board should devote this money for that purpose?

Mr. KING. To be sure; instead of taxing the people of the United States \$11,000,000, when the Farm Board have the money, and they may soon expend it, as they have most of the \$500,000,000 placed in their hands by the United States.

Mr. SHORTRIDGE. Whether they have or not, I wished merely to have that point made clear; and it is now clear to me.

Mr. McKELLAR. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. KING. I yield to the Senator from Tennessee.

Mr. McKELLAR. In order to see if we can not bring about a ready adjustment of this matter, I am going to ask the Senator from South Carolina, who has the report in charge, if he will not take this bill back to conference and see if he can not work it out there along the lines that have been suggested here this morning. I hope he can. We want to take up the other bill, and we want to get rid of this matter. It is very necessary.

Mr. SMITH. Mr. President, I want to say that this is one time that a matter was more or less thrust upon me. There seems to be an impression abroad that I know more about cotton and the cotton business than most persons; and God knows if that is true, the rest of the Senators ought to be ashamed of themselves.

The situation is just this: The capital of the Farm Board now in actual money is about \$28,000,000. I do not know what obligations they have which may take part or all of that; I am not advised. I do not know whether that amount of money is net to carry on with, outside of the operating expenses. It does not make a particle of difference whether we make provision for the difference between the market price and the obligations of the Farm Board, it is Government money. Suppose to-morrow the Farm Board were to go out of business and there was \$28,000,000 net; that would be turned into the Treasury, and if this bill were to pass in the form in which it now is, \$11,000,000 of that Government money would have to go to furnish the fund made necessary by this measure.

Whether there are commitments against the \$28,000,000 I do not know; I do not know what obligations the Farm Board may have outstanding against it. The question is whether we are going to require that the \$11,000,000 shall come out of this Government fund which we voted, or whether we are going to make a separate appropriation and leave the \$11,000,000 to the credit of the Farm Board. That is the only thing involved. In either event it will come out of money collected through taxes paid by the people of the country.

If it is the opinion of the Senate that the Farm Board is going to lose or squander the \$28,000,000—

Mr. KING. We had better get our hands on a part of it soon.

Mr. SMITH. Then the question is how quickly we can salvage some of it. I am not in a position to know about that fund. To me it looked like trying to find the difference between tweedledum and tweedledee. The Government will have to pay it anyway.

Mr. SWANSON. Mr. President, will the Senator yield to me?

Mr. KING. I yield.

Mr. SWANSON. As I understand the proposition, \$28,000,000 in the Treasury to-day is to the credit of the Farm Board.

Mr. KING. That is right; it is in law segregated as much as if it were in the Senator's possession.

Mr. SWANSON. As I understand the statement of the Treasury, if this \$11,000,000 is appropriated out of the Treasury we shall have to raise money through taxes to furnish that amount.

Mr. KING. Absolutely.

Mr. SWANSON. The only difference is that while the \$28,000,000 has been raised, if we take \$11,000,000, there will be only \$17,000,000 left; but if \$11,000,000 is taken out of the Treasury, we shall have to furnish money to put in its place.

Mr. KING. Absolutely.

Mr. SHORTRIDGE. Mr. President, may I ask a question?

Mr. KING. Let me answer what the Senator from South Carolina has suggested, and then I will yield to the Senator.

I may say to my friend from South Carolina that his argument is ingenious but frank. The fallacy of it is that he assumes that the \$28,000,000 plus which is in the Treasury of the United States for the Farm Board is available as an asset of the Federal Government. In my opinion, it is not, but is earmarked and belongs to the Farm

Board just as the gold which France had at one time in the banks of the United States was earmarked. It was in the vaults of banks, but it was French gold, which could be withdrawn at any time.

While we are debating to-day, the Farm Board may issue warrants and withdraw it. That is possible. If they took it out of the Treasury for any purpose, just or unjust, then we would be confronted with a fait accompli, and probably would have to make an appropriation out of the Treasury and tax the already overburdened people of the United States to raise this \$11,000,000 which ought to be paid by the Farm Board.

I now yield to the Senator from California.

Mr. SHORTRIDGE. I was about to ask the Senator this question: What are the outstanding present obligations of the Farm Board?

Mr. KING. I can not answer that, Mr. President. They contend, I am advised—and it is hearsay—that they have assets of the value of one or two hundred million dollars; and, in addition to that, they have the \$28,000,000 plus in the Treasury. As I am advised the board contends that those assets consist of property, real and personal, of notes, mortgages, and various forms of security. At any rate, the Farm Board confesses that it lost between two and three hundred million dollars in its operations. It has \$28,000,000 plus in the Treasury. It claims that it has assets worth one hundred or two hundred million dollars, and now the effort is to saddle upon the taxpayers of the United States the burden of raising \$11,000,000.

Mr. BYRNES. Mr. President, will the Senator yield to me?

Mr. KING. I yield.

Mr. BYRNES. I will ask the Senator whether it is a correct statement of the case to say that \$28,000,000 is in the Treasury to the credit of the Farm Board. There is no evidence that they have committed themselves to lend that amount to any of the cooperatives.

Mr. KING. No.

Mr. BYRNES. Then the only question is whether the \$11,000,000 necessary to pay the interest and charges upon this cotton shall come as an additional appropriation from the Treasury or out of the Farm Board fund?

Mr. KING. That is the only question.

Mr. BYRNES. Is this correct, too, that if this measure shall go back to conference then the question will be whether the conferees will deny to the people of the United States, who need it, the clothing, which has been referred to on this floor, rather than reduce by \$11,000,000 the Farm Board's fund, now amounting to \$28,000,000?

Mr. KING. The Senator has stated the proposition in a few words.

Mr. BYRNES. And in voting, the question is whether we shall vote to reduce the Farm Board fund by \$11,000,000 or deny to the American people who are in want an opportunity to receive the blankets and clothes which might be accorded them?

Mr. KING. I invite the attention of the Senator from Connecticut and my Democratic friends to an article appearing in this morning's paper containing a statement by the President of the United States, in which he warns the Congress and the people of the country that the appropriations contemplated exceed the Budget estimates. He states:

The appropriation bills for the next fiscal year for the State, Justice, Commerce, and Labor Departments, together with the independent offices bill, have now been reported out from the House Appropriations Committee.

The President recommended total appropriations for these services of \$1,058,741,556, including permanent appropriations amounting to \$81,104,553, or \$977,637,003, excluding permanent appropriations.

The House committee recommended \$1,106,172,818, excluding permanent appropriations, or \$128,535,815 increase over the President's recommendations. To this should be added \$1,268,480 for deferments which will be required in the fiscal year, making a total increase for these services of \$129,804,295.

Since the statement of January 20, which showed on the same basis net increases of about \$35,000,000 for the Departments of Agriculture, Interior, Post Office, Treasury, and War, further action by the House on the War Department bill has modified this figure to about \$33,500,000.



The totals of the increases over the President's recommendations to date are therefore \$163,319,642, and if finally adopted by the Congress will make an increase in the estimated deficit by that amount.

I do not quote these figures as indicating the infallibility of the President, because figures which have come from the White House and from the Treasury Department have not always been accurate. Congress, and the committees of Congress, relying upon them, have been led into serious mistakes. Nevertheless, the warning of the President is timely, and I appeal to Democrats, as well as to Republicans, that upon an issue of economy, reduction of taxes, relieving the American people from their burdens, there ought not to be any division.

Mr. BINGHAM. Mr. President, will the Senator yield to me?

Mr. KING. I yield.

Mr. BINGHAM. It is my understanding that the large amount of money to which the Senator refers, which has been reported by the House committee, is recommended chiefly because of the fact that no effort has been made to change the law regarding benefits to veterans of the World War for disabilities not received in line of duty and not directly attributable to the war, the President having recommended in his message a change in the law which would save about \$127,000,000. The fact that the change has not been made necessitates an appropriation in the independent offices bill which causes this very great increase in appropriations over what the President hoped might take place.

Mr. KING. Mr. President, I did not quote from the President for the purpose of indicating the accuracy of the figures which he submitted. I did think, however, that his admonition to Congress and to the country at this time was entirely proper. Of course, I may not comment upon the situation at the other end of the Capitol, but my observations here in this body indicate that we approach with a great deal of timidity the question of reducing the burdens of taxation, and of reducing appropriations; I hope that more admonitions will come, not from the President alone, but from members of the Committee on Appropriations, that unless economies are effectuated, there will be a large deficit which will be passed on to the next administration.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. ROBINSON of Arkansas. I am wondering whether it is possible to accomplish the saving of some time by an arrangement to let the vote by which the conference report was agreed to be reconsidered and the bill go back to conference, and see if a different result can be accomplished in the conference.

Mr. WALSH of Massachusetts. Mr. President, could a stipulation be included in the agreement that the bill be reported back within a day or two?

Mr. ROBINSON of Arkansas. It would be my desire that as prompt action as possible should be had. I do not think we could bind the conferees, particularly those of the other body, to report within a given time.

My thought is this: We are getting near the end of the session. We have spent hours debating this subject already, and I fear will spend hours more. It seems to me that if the arrangement I am now suggesting can be made, we will know, when the bill comes back in a day or two, whether it is possible to reach an agreement which can be quickly worked out in legislation.

I feel that we ought to get action on these matters, and I am going to make the request for unanimous consent in the hope that it will be agreed to, and with the understanding that the bill shall be brought to a final conclusion as speedily as possible.

Mr. WALSH of Massachusetts. Mr. President, may I state that I hope the Senator from Connecticut and the Senator from South Carolina will agree, because it is my opinion that if a vote is taken the bill will be recommitted anyway; and this course will save time, and we shall get speedy action. The Senator from Utah assures us that he will have the bill returned very promptly.

Mr. KING. As far as I have any influence, of course.

Mr. McNARY. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Oregon?

Mr. KING. I yield.

Mr. McNARY. As one of the conferees I have no objection to that procedure if it is agreeable to the Senator from Connecticut [Mr. BINGHAM]. I do not know what can be accomplished. The able Senator from South Carolina [Mr. SMITH] worked very diligently on this matter, more actively than any of the other conferees. He had the time and the disposition and knew the subject matter. So far as I am concerned as one of the conferees, if the order shall be obtained I shall try to arrange for a conference at the earliest possible moment. I appreciate the necessity for expedition in the matter.

The VICE PRESIDENT. Let the Chair state that the report having been acted upon by the House, the bill would have to go back to the House and a new conference agreed upon.

Mr. ROBINSON of Arkansas. We could ask for a further conference.

The VICE PRESIDENT. The Senate could disagree to the report and insist on its amendments.

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent that the motion to reconsider be agreed to, that the report be disagreed to, that the Senate further insist upon its amendments and ask a further conference with the House, and that the Chair appoint the conferees on the part of the Senate.

Mr. McNARY. Mr. President, may I have the attention of the Senator from South Carolina? Does that proposal meet with his approval?

Mr. ROBINSON of Arkansas. May I make one additional statement first? I appreciate the spirit of the Senator from Connecticut and the Senator from South Carolina and the Senator from Oregon, as well as the attitude of the Senator from Utah. We must find some way to bring matters of this nature to a prompt conclusion. I feel that we are liable to go on debating the subject all day unless we do, and there is no necessity and no justification for prolonging the discussion.

I am not committing myself to a vote to recommit the bill, but I am committing myself to the proposition that we ought to save all the time we can. It is generous of the Senators who handled the bill in conference to make that concession, and I shall certainly stand by them if they feel constrained to reach the same conclusion that is reflected in the present conference report.

Mr. McNARY. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Oregon?

Mr. KING. I yield.

Mr. McNARY. There is no question about the position of the Senator from Arkansas. We are all in accord in that respect. I am not sure that there would be any change in the attitude of the conferees if the matter goes back to conference. I think we should vote to expedite the consideration of the matter now. I think the quickest way to handle it is to dispose of the question now, without further debate, whether we shall adopt or reject the conference report. In my opinion, the conference report would be adopted. On going back to conference, I am not sure whether we can accomplish anything different or not. I am willing to go back if that is the will of the Senate.

Mr. SMITH. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from South Carolina?

Mr. KING. I yield.

Mr. SMITH. I have no predilection in the matter. I am here to do what the majority of the Senate sees fit to do; but the question is going to be presented, either in conference or on the floor of the Senate, as to whether we shall take out of the Treasury an additional \$11,000,000 or whether we shall take it out of the Farm Board. That is the clear-cut issue now. I have no guaranty that the Senate will take either one of the two, or which one of the two we

will take. I am perfectly willing to go back and discuss it with the conferees on the part of the House. But the question, then, is going to be whether or not the money is to be taken out of the Treasury or taken out of the Farm Board. It seems to me we can settle that right now by a vote.

Mr. ROBINSON of Arkansas. Then let us vote.

Mr. SMITH. We would then know the sentiment of the body and which of the two alternatives we will take.

Mr. ROBINSON of Arkansas. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield further to the Senator from Arkansas?

Mr. KING. I yield.

Mr. ROBINSON of Arkansas. If we can reach a vote, I have no objection, but, on the contrary, I would be delighted to take it. I ask the Senator from South Carolina how we are going to reach a vote right now with the Senator from Utah occupying the floor and the Senator from Oklahoma [Mr. GORE] waiting to take the floor and other Senators ready to carry on the debate?

Mr. SMITH. May I ask the Senator from Arkansas, if we are going to filibuster—

Mr. ROBINSON of Arkansas. Oh, I was not talking about a filibuster. I am trying to save time.

Mr. SMITH. So am I.

Mr. ROBINSON of Arkansas. I submit my request for unanimous consent.

The VICE PRESIDENT. Is there objection to the unanimous-consent request of the Senator from Arkansas?

Mr. BINGHAM. Mr. President—

Mr. KING. I yield to the Senator from Connecticut.

Mr. BINGHAM. I agree with the Senator from Oregon [Mr. McNARY] that the quickest way to expedite the whole matter is to get a vote on it. I appeal to those who have debated it now for the last hour that they rest their case on the debate and let us come to a vote. If there is anything to be gained by agreeing to a reconsideration of the vote, I, for one, would have no objection to it, but it seems to me the Senator from Oregon is entirely correct that the likelihood of our getting favorable action in the conference would be greatly increased if we had a vote of the Senate denying or refusing to accept the decision of the conference. In the interest of saving time in the long run, since the debate is fresh in our minds, and if Senators will be willing to rest their case now instead of unduly prolonging the debate, it seems to me that that would be the best way to instruct the conferees. I hope we may have a vote on acceptance or rejection without further delay.

The VICE PRESIDENT. The Senator from Arkansas has submitted a unanimous-consent request. Is there objection? The Chair hears none, and it is so ordered. The Chair appoints the same conferees—the Senator from Oregon [Mr. McNARY], the Senator from Nebraska [Mr. NORRIS], and the Senator from South Carolina [Mr. SMITH].

Mr. GORE. Mr. President, I am in entire sympathy with the wish of the Senator from Arkansas [Mr. ROBINSON] to expedite the business of the Senate. There are, however, certain facts which I desire to insert in the RECORD at this point for the enlightenment of the Senate and the guidance of the conferees.

Mr. President, I hold in my hand a letter from a cotton concern in the city of New York, McCampbell & Co. They are dealers in cotton goods. That fact does not appear upon the circular letter which I hold in my hand. It is a circular letter sent to the local agents of the Red Cross throughout the country. I assume from its tone and tenor that it was sent to each and every local Red Cross agent throughout the United States. It solicits those agents to write their Congressmen and to write their Senators urging the passage of the bill. It urges the Red Cross agents to be charitable, to communicate with their Senators and Congressmen advising them as to their duty in the premises. I wish to have the letter read to the Senate.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will read, as requested.

The legislative clerk read as follows:

NEW YORK, January 20, 1933.

DEAR FRIENDS: If your chapter could use, as Judge Payne recently testified, a great many more garments and additional cloth such as have been distributed to you by us and other manufacturers as a result of the first allotment of Farm Board cotton, it is suggested that you get in touch immediately with both of your Senators and your Representative in Congress, urging immediate action on the bill now pending to provide the remaining Stabilization Corporation's cotton.

There is every evidence that this bill will be passed, and National Red Cross headquarters will eventually be able to arrange for additional distribution of cloth and garments to you; but temporarily at least action by both branches of Congress is being held up. Word from you at this time would undoubtedly focus the attention of the men in Washington on the importance of immediate action.

In addition to writing your own Senators and your Representative, it is suggested that you also write a word of encouragement to the Hon. H. P. FULMER, Member of Congress, who sponsored the original bill and is back of the present legislation.

In writing you in this way the writer is doing so not at the suggestion of Red Cross headquarters but as an individual interested in seeing that the American Red Cross is put in a position to continue the excellent work which it has been doing in providing the needy with clothing.

Yours very truly,

RAYMOND H. STORM,  
McCAMPBELL & Co.

Mr. GORE. Mr. President, this cotton company avow a disinterested desire to see that the people of the country shall have their wants ministered to through the agency of the Red Cross, concealing the fact that they are dealers in cotton goods. That letter is pure propaganda. It is not written in the interest of charity nor in the interest of the suffering people of the country. I may say that I heard suggestions on the floor of the Senate but yesterday that the bill would stimulate employment on the part of operatives in cotton factories. Is that disinterested charity?

But, Mr. President, the anxiety on the part of this concern was superfluous and unwarranted. Their activities were unnecessary. No urge is required to speed legislation of this sort. We have set our feet in this path and there is no turning. The brakes are out of order and the pending bill illustrates the evil character and the evil tendency of such legislation and of such a policy. The measure passed in the last session to distribute cotton goods, limited the bounties of the Government to cloth and clothing. Mark the word "clothing." The pending bill, as might have been expected, goes a step farther. It includes bedding. No one should be surprised. It would be surprising if it were otherwise. The Senate, in order not to be behind, was not content with the word "bedding," but added, out of a superabundance of caution, "quilts and comforts." That was the point which divided the conferees. The Senate conferees finally yielded upon full assurance upon the part of the House conferees that "bedding" included quilts and comforts. So that point is settled.

Mr. WALSH of Massachusetts. Mr. President—

The PRESIDING OFFICER (Mr. DICKINSON in the chair). Does the Senator from Oklahoma yield to the Senator from Massachusetts?

Mr. GORE. I am glad to yield.

Mr. WALSH of Massachusetts. I am interested in the Senator's statement, because I have received epistles from my State calling attention to the extent to which they are suffering from the cold and asking that similar action be taken in the furnishing of coal by the several governments to that taken by the Government in the furnishing of cotton clothing and bedding.

Mr. GORE. I would suggest that the Senator advise his constituents to be patient and bide their time. Coal will follow in its train. The next bill that comes will probably include umbrellas and horse collars. [Laughter.]

Mr. WALSH of Massachusetts. Does not what the Senator has stated or is asking lead to the conclusion that if we are to proceed sanely and with due regard to the protection of the Federal Government in the future, whatever relief is expended by the Federal Government ought to be in the nature of cash to the local communities to be distributed as they see fit.



Mr. GORE. Either that or work to be required, for either cash, clothing, flour, or any other contribution. I shall touch that point in a moment.

I have no purpose, Mr. President, to delay the consideration of this measure; still less do I have any expectation of defeating such legislation. That would be contrary to all human experience. A year ago I detailed the course of degeneracy in the Roman Republic. I shall not now repeat further than to state that it began not, indeed, with free corn but with the sale of corn at a price less than the market price. The politicians, however, were not content with that. They insisted that even the reduced price was higher than Roman citizens should be required to pay. The price was further reduced. Finally the price was abolished, and corn was distributed free without money and without price. That was followed in the course of time by free corn, free oil, free wine, free shows, everything free except the inhabitants of Rome itself; they lost their character, and they lost their liberties.

Mr. President, it is said that human nature never changes. That may be true; but human nature reacts differently in different environment; human nature reacts quite differently to one state of environment as compared with another. Sometimes I think perhaps a craven or coward might under different environment have been a martyr or a hero. We can not change heredity; that is certain. We can not change the heredity of one individual, much less of an entire generation; but self-reliance and self-respect were the virtues which made this Republic great, and it can not survive their departure.

In my judgment, responding to the question of the Senator from Massachusetts [Mr. WALSH], I have always thought that work should be required in all possible cases where either flour or clothing is distributed. I happened to be in the town of Brownsville, Tex., not long since. The Red Cross there adopted, in the first instance, a policy requiring work in return for clothing and flour. A member of the board, however, a lady there, inspired by supersensitive consideration for the poor, protested that it was unfair for the poor to have to work in order to enjoy the benefactions of their Government. The practice of requiring work was abandoned. Not long since I was in conversation with a gentleman who has charge of the Red Cross work in one of the largest counties of the great State of Pennsylvania. He was a major in the World War. He has his local agents in towns and communities throughout the county. He told me that when carloads of flour came to his town, in the interest of economy and to save the paying out of cash, he had tried to arrange with the unemployed to unload the flour, upon the promise that they would be paid in flour for their services. They refused the task, answering that they would go across the street and obtain their dole from the local Red Cross agent, not only without money and without price but without work.

I have here a letter which I desire to have read. It will only take a moment. I have, also, another letter which I should like to request to have printed in the RECORD bearing upon this policy. I have purposely omitted the name of the writer of the letters, but they are from a Red Cross agent. I do not wish to embarrass him.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

JANUARY 25, 1933.

MY DEAR SIR: I have been connected with the Red Cross in the distribution of flour and clothing here in \_\_\_\_\_ County since the first shipment was received until the present time.

There is a bill in Congress at the present time to provide the remaining Stabilization Corporation cotton for distribution by the Red Cross.

I wish you to please be against this bill unless the beneficiary renders some service in return for these supplies.

The people who receive these supplies are of that shiftless, worthless class who are on charity in good times as well as bad. They are nonproducers. Ninety per cent of them did not even plant a garden last year or make any effort to be self-supporting. They have assumed the attitude that the Government is going to support them.

I could write several pages and go into details, but I realize that your time is very valuable, so I ask you from my experience to be against the giving away of supplies to the needy and destitute free of charge.

We have to live and learn and rectify our mistakes when we make them, and I tell you this sure is a mistake that should be stopped.

Very truly yours,

P. S.—If you wish details as to my attitude in this matter, I shall be glad to write you at length.

Mr. GORE. Mr. President, I have had that letter read for whatever it may be worth. It is the fruit of experience. Here we have no experience and probably will not need the experience of others. In response to his suggestion I wired requesting the details. The answer to that request I ask to have printed in the RECORD without taking the time of the Senate to have it read.

The PRESIDING OFFICER. Without objection, the letter will be printed in the RECORD.

The letter referred to is as follows:

AMERICAN RED CROSS,  
\_\_\_\_\_ COUNTY CHAPTER,  
January 28, 1933.

Hon. T. P. GORE,  
Washington, D. C.

MY DEAR SENATOR: Supplementing my letter of a few days ago, in which I requested you to be against the free distribution of the Stabilization Corporation's cotton to the "needy and distressed people of the United States," I am glad to give you my experiences as a worker with the Red Cross in the distribution of flour and clothing and yard goods.

This county has been divided into 15 districts, with a district chairman in each district. This chairman perfects an organization to handle this distribution in his territory.

We thought this method would tend to localize the distribution and the chairman and his helpers would be more or less personally acquainted with all the people in his district, and in this way the people who were not entitled to these supplies would be weeded out.

When the first shipment of flour was received last spring, the method of determining the beneficiaries was more or less vague. I shall give you the various experiences that occurred here in \_\_\_\_\_ because it is typical of all the districts. The territory in the \_\_\_\_\_ district is composed of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ townships.

Four merchants having knowledge of the inhabitants of this district were selected to pass on the applications. A certain day was designated for the distribution of the free flour. When that day came, the town was well filled with people who wanted a sack of that "Red Cross flour." The word quickly spread to see Mr. So-and-so and get an order for a sack of flour. If a man could not get an order from one of the committee, he went to another one, and so on until he got an order. If a man was a customer of the merchant giving the flour orders, he got a sack of flour by telling the merchant he would not trade with him any more unless he gave him that flour. The result of this method was that the flour was given to practically everyone who applied for it, regardless of whether or not they were entitled to it under the act of Congress. Hundreds were turned away when the supply was exhausted.

Just after this first distribution was completed I was appointed by the chamber of commerce to be in charge of the distribution of Government supplies furnished through the Red Cross for the district.

When the next shipment was received, I had five men who were familiar with the inhabitants of the district to act as a board. The method of procedure was to let three people come before this board at one time. Their application blank was filled out and discussed by the board and then voted on. If three or more voted to give flour, it was given.

This method cut out about 60 per cent of the applicants but was unsatisfactory for the reason that the people who were refused flour made bitter remarks about the gentlemen on the board, and in many instances were so bitter that they threatened them bodily harm.

We could not think of a better method, so this same procedure was employed in disbursing the next shipment.

The annual election of Red Cross county officials was held on November 18, 1932, at which time I was elected county chairman.

I gave the matter of distribution serious thought, and I advised all district chairmen to take applications for flour and clothing and then have a secret committee pass on them. This committee was to be composed of persons who knew the people of the district.

The reason for this being a secret committee, the membership known only to the chairmen and the committee members, is occasioned by the fact that the bitter feeling the applicants hold against the committee and the continual stream of people running to the various members was too much of a strain to be under, and it was practically impossible to get qualified men to pass on the applications on account of this condition. By having

the membership secret the applicants who are refused supplies do not know whom to hound and threaten until given the articles.

All of the districts are using this method and are well satisfied with it.

So much for the distribution. Let us now see what the reactions to this free distribution amounted to.

A man named Edwards lived on the farm of one M. M. Watson last year. Mr. Watson encouraged him to plant garden and other vegetables that he could eat. Mr. Watson put up 500 quarts of fruits and vegetables from his part of the rental. Mr. Edwards could not find a market for his part so he let it rot. He made no effort to can or dry his food. It's true he may not have had receptacles to put it into if he canned it; however, he could have dried lots of it, and he could have had several bushels of beans. He could have saved some of his corn and had it ground into corn meal. The fact is that he did nothing to provide himself and family with food until the next crops could be raised. He moved into town and made the remark that the Government and the Red Cross had to feed him and he would see that they did.

Last week a Mr. Fred Forbis, who lives on his mother's farm up by —, came to see me. They would not give him any flour up there, and people were getting it and he was entitled to it as well as the rest because the Government sent it here for him. This man has five milch cows from which he sells cream. He has four more that will be fresh in the spring. He has several hogs, chickens, three good horses, and a car. He has plenty of feed for all his stock.

You take the class of people of whom Mr. Edwards is a member and you will find them on charity regardless of what the conditions are, either hard or prosperous. The other class are that greedy, grasping kind who want it because it's free.

The free distribution of these supplies has encouraged a certain class of people to feel that the Red Cross is going to feed and clothe them. The result is they are not trying to make their own living.

If this condition continues, it will work numerous hardships upon the property owners and the good people of the community because these people are encouraged to be shiftless and they will not pay their just debts, their landlords are unable to collect rent from them, and if they are living on a farm, they will not produce sufficient crops to pay a small percentage of the taxes on the farm.

We must work to overcome this condition that is beginning to assert itself, so I would suggest that all future supplies be not given free. Why not require a certain amount of labor in return? This labor could be used on the streets and parks of the cities and the highways of the townships. People could be exempted who are unable physically to perform this labor.

If you could see the jealousy and hatred and shiftlessness that this free distribution is engendering, you would insist upon payment for the supplies in some form or other. I have talked to numerous substantial citizens and they are all of the opinion that these free supplies are ruining the people, and the wrong thing to do.

The reason I wrote you in protest of the free distribution was occasioned by a letter I received from McCampbell & Co., which I am inclosing.

I am also inclosing herewith a portion of my correspondence to the various district chairmen that will probably be interesting in regard to this matter.

I thank you for the interest you have manifested in this matter, and I know that your actions regarding it will be for the best interests of the entire people of the Nation.

Very truly yours,

Mr. COPELAND obtained the floor.

Mr. BINGHAM and Mr. WALSH of Massachusetts addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New York yield; and if so, to whom?

Mr. COPELAND. I yield first to the Senator from Connecticut.

Mr. BINGHAM. Mr. President, in reply to what the Senator from Oklahoma said in the beginning of his remarks, I think it is only fair to state that no one makes any profit out of the transaction. The Senator implies that the person writing the letter did so through motives not worthy, as though he were about to make a profit on the transaction. The letter which I hold in my hand from Judge Payne, the head of the Red Cross, states that there is no profit in the transaction, and that those engaged in manufacturing the cloth and the clothing do not profit from it at all. The only advantage to the manufacturers is in permitting them to employ their workers who are now unemployed. That is a natural and worthy motive on their part, Mr. President, and should not receive the kind of innuendo and insinuation which it has just received in the remarks of the Senator from Oklahoma. With many of his remarks and much that he has said I am in entire accord and entire sympathy, as the Senator well knows; but I had hoped that this mat-

ter might be concluded without leading to debate. I was assured some half hour ago if we would agree to let it go at once to conference that there would be no further debate on it, but I see that is a mistake.

Mr. GORE. Mr. President, I hope that the parties concerned are deserving to be acquitted of the imputations I made.

#### INFLATION OF THE CURRENCY

Mr. COPELAND. Mr. President, because of the crowded condition of the calendar, I should not rise to say a word except for the fact that the letter referred to by the Senator from Oklahoma was written by a gentleman living in my city. I do not know the concern with which he is connected. I have no knowledge whatever of what business this gentleman follows, but he is a constituent of mine.

Mr. President, we are going to have all sorts of plans offered here for inflation. We are going to have all sorts of plans offered for changing the value of the currency. We will have others offered designed to change entirely our fiscal policy. To most of these I am in violent opposition, but, Mr. President, there is the human element in this economic situation that the Congress can not afford to disregard.

In my State, the richest and most populous State in the Union, a million families are being cared for through charity, all their expenses paid for by charity. It is not the fault of these families that we have this economic depression. It is not the fault of the hundreds of thousands of unemployed in my State and other States of this Union that they are unemployed. But, if I know at all the spirit of the American people, I know that we do not want people to be hungry or unclothed or unsheltered.

Mr. President, the Senator from Connecticut has already read the letter of Judge Payne, the head of the Red Cross, to show that no profit accrues to the manufacturer by the use of the cotton about which we have been talking this morning. I can quite see that the anxiety of the concern which wrote the letter which was read this morning by the Senator from Oklahoma is not only to keep their men and women employed, to keep them at work without profit to the concern, but in order that there shall not be more unemployed who will have to be taken care of wholly by charity.

Mr. President, no matter what else we do, we can not afford to let the suffering of the American people go to the point that they will be ready to overthrow existing institutions. There is nobody so dangerous as a hungry man or a man whose family is hungry. Whether we enact any sort of legislation seeking to amend our financial laws in some absurd manner, no matter whether we do or do not do those things—and, of course, I hope we will not do so—we can not afford to let people go hungry or cold.

I had not intended to say one word, but I did not care to have the moment pass without a protest against any criticism of any effort on our part to allay the suffering among the citizens of the richest country in the world.

Senators, I can not speak too strongly on this subject. We can not afford to disregard the conditions in this great country of ours. We may consider it as secure as the seven hills of Rome, but it will not be secure if there are hungry and cold and suffering men and women and boys and girls in the United States.

It was on that account that I took this moment to rise to my feet and protest against any criticism of efforts made to better the conditions of those who are now suffering in our country.

Mr. GORE. Mr. President, let me observe that our institutions will not be safe if we pursue a policy which vitiates the character which has made our country great.

Mr. WALSH of Massachusetts. Mr. President—

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Massachusetts?

Mr. COPELAND. I do.

Mr. WALSH of Massachusetts. I agree with the Senator from New York that we should keep in mind, in connection with the problems before us, the possible danger of disturb-



ances in the social order. I think the Senator on other occasions as well as on this occasion has rendered a valuable service in emphasizing that possibility.

I was interested in what the Senator said about inflation of currency, and I take it that he is opposed to most of the many proposals that have been advanced, if not all of them.

Mr. COPELAND. I am.

Mr. WALSH of Massachusetts. I should like to make an inquiry of the Senator, and I am prompted to do this by something that happened yesterday.

The Senator from Georgia [Mr. GEORGE], in a brief statement to the Senate, called attention to the necessity, in readjusting or refinancing farm mortgages, that any proposal must be on the basis of readjusted valuation in the interest of the debtor as well as the creditor. I do not object to that sentiment, but I should like to inquire of the Senator—perhaps he has not given thought to this aspect of the inflation question—if he does not think that an important service that could be rendered to our country, and one that would be more likely to restore business normalcy than anything else, would be, if it were constitutionally possible, some general move or some general edict reducing debts, private and public, in the same proportion to all classes of people. The difficulties that this involves are apparent to all.

The chief obstacle that we are suffering from is the great mass of debts that is weighing all our people down; and as soon as an industry or an individual or a farmer puts his head up, the debts drag him down. Of course, such a proposal is practically impossible of legal accomplishment, but it is one of the aspects of this question that deserves attention.

We know that the process of liquidation is going on slowly. Indeed, too slowly. It is delaying recovery. Many business concerns are trying to liquidate and compromise their debts, but it is an interminable process. It necessarily prolongs the duration of the depression. This is while a general moratorium on all public and private debts is frequently proposed. It seems to me we would see the dawn of a new day if we could find a process constitutional, of course, to reduce all debts horizontally—a proportionate rate that might be conservative and safe. I believe it would lead toward the beginning of a new day, just as the business man and the individual begin a new day and have a new outlook upon life after they have gone into bankruptcy and are released from the burden of debt that has been crushing them and preventing them from making any progress.

Since the Senator from New York is in accord with me in opposition to many of these proposals to inflate the currency, I should like very much to have his views upon the proposition I have just submitted.

Mr. COPELAND. Mr. President, I feel flattered that the Senator should praise any opinion I may hold on this subject.

For myself, I am firmly convinced that there are three things that must be done:

There must be a reduction of debt.

There must be a reduction of carrying charges.

There must be an increase in the circulation.

We do not need more money. We have all the money we need. The problem is to get it in circulation.

Yesterday I was talking with a great builder in New York. He told me of the burden he is now having in taking back these properties, and the burden of the carrying charge, which comes from the high rate of interest. He spoke of the fact that the savings banks in our State have reduced the rate of interest that they pay to their depositors. He said that if the banks would make the same reduction in the rate of interest charged on the mortgages it would help very materially. I have no doubt that that is true. But there must be found some means of readjustment of this terrific burden of debt, some reduction in the carrying charge of those debts.

Mr. WALSH of Massachusetts. Mr. President, may I interrupt a moment?

Mr. COPELAND. I yield.

Mr. WALSH of Massachusetts. All suggestions we have heard relate to reducing debts of particular classes—a class here and a class there. It seems to me the reduction has to be uniform and general.

Mr. COPELAND. Of course it must be uniform. It is not alone the farmer who is suffering.

Mr. WALSH of Massachusetts. We would put the banker and insurance company out of business if we reduced the debt of every mortgage he held and did not go any farther. We must reduce the debt of the banker as well as the debt of the farmer and the debt of the merchant. It seems to me otherwise we are going to have a financial catastrophe.

Mr. COPELAND. I am sure the Senator has been interested in the suggestions made by the Senator from Georgia [Mr. GEORGE] along that line.

Mr. WALSH of Massachusetts. Very much.

Mr. COPELAND. I think they are worthy of study.

Mr. LOGAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Kentucky?

Mr. COPELAND. I yield to the Senator.

Mr. LOGAN. I have been very much interested in the suggestion of the distinguished Senator from Massachusetts [Mr. WALSH], apparently approved by the Senator from New York, about reducing debts. I wish some one would indicate to me, however, how existing debts can be reduced by an edict, by law, or in any other way, unless it should be by private agreement. I wonder if there is any man living who believes that human greed will allow the reduction of any debt as long as the debtor is solvent.

I do not understand what Senators mean by reducing debts 10 per cent or 15 per cent. The obligation of a contract certainly can not be impaired by any law that we can pass; and certainly human nature never will consent to reduce any debt that is collectible, or even any rate of interest.

So if the Senator from New York realizes, as I believe, the great truth that debts are the trouble with our country more than anything else, if he has any idea, any plan whereby we may reduce debts, I wish he would tell us what it is. I know that we have a bankruptcy bill coming over here, and that probably is a stagger at it, but in my judgment it is just about as nearly nothing as could be offered. It is like nearly all the other plans that are suggested here; they are not feasible, and most of them are not even sensible; and we just go on from day to day talking, talking about things and not doing anything.

I wonder if the Senator from New York or the Senator from Massachusetts could give to the country, and particularly to a humble Senator from the State of Kentucky, just some glimmer of an idea as to how we are going to do those things. I will stay and listen all the rest of the afternoon if he will.

Mr. COPELAND. The Senator will not need to stay, I am sorry to say. If the Senator from Massachusetts and I had a plan which was clear-cut and definite and acceptable, the United States Mint would cast a gold medal to confer upon us because of our wisdom.

I realize that the Senator from Kentucky is entirely right when he talks about the difficulties associated with this subject. Nevertheless, I assume that at some time, some agency of Congress will attempt to find the solution for the problem; and it must be found. The Senator from Georgia [Mr. GEORGE] is proposing, of course, that it shall be by voluntary agreement between creditor and debtor.

Mr. McKELLAR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Tennessee will state it.

Mr. McKELLAR. What is before the Senate?

The PRESIDING OFFICER. The unfinished business before the Senate is the modified amendment of the Senator from Tennessee to H. R. 13520.

Mr. McKELLAR. We have been discussing something else all the morning, and I thought we ought to know.

Mr. GORE. Mr. President—

Mr. COPELAND. Mr. President, a parliamentary inquiry. I assume that that amendment is debatable.

The PRESIDING OFFICER. It is.

Mr. COPELAND. I do not think those of us who in the last 10 minutes have discussed the financial condition of the country have been any farther away from the matter under consideration than often happens when our genial friend from Tennessee holds the floor. I realize, however, that we are taking time that might be used for the important bill which he has in mind.

Mr. McKELLAR. Mr. President, this appropriation bill has to be passed at this session, or ought to be passed at this session; and it does seem to me that we ought to get to it and vote on it as soon as possible.

Mr. HATFIELD obtained the floor.

Mr. GORE. Mr. President—

Mr. HATFIELD. I yield to the Senator from Oklahoma.

Mr. GORE. I merely wish to volunteer one observation, and that is that the Senator from New York [Mr. COPELAND] has stated a dilemma. How to avoid both horns of that dilemma is a question that I can not solve, and I have heard no solution suggested.

He remarked that a friend of his on yesterday suggested that if savings banks would reduce the rate of interest on the loans which they make it would be a long step in the right direction. In the same breath the Senator from New York observed that the debts now outstanding in this country ought to be reduced. When we increase the risk of a loan we increase the rate of interest; and when we suggest the possibility of canceling debts we increase the rate of interest, and we do more: We make people hesitant to lend their money at any rate of interest when we hazard the chance of ever recovering not only the interest but the principal itself. That is a dilemma.

#### CHANGE IN DATE OF INAUGURATION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of State, inclosing a letter from the Governor of Washington, transmitting a certified copy of Senate Joint Resolution No. 3, ratifying the proposed amendment to the Constitution of the United States fixing the commencement of the terms of the President and Vice President and Members of Congress and fixing the time of the assembling of the Congress, which, with the accompanying papers, was ordered to lie on the table and to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,  
Washington, January 30, 1933.

The Hon. CHARLES CURTIS,  
President of the Senate.

DEAR MR. CURTIS: I inclose a letter dated January 24, 1933, addressed to you by Governor Martin, of Washington, transmitting a certified copy of Senate Joint Resolution No. 3, ratifying the proposed amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress. The letter, with its inclosures, was referred to me by the White House.

I may state for your information that I have also received a certified copy of Senate Joint Resolution No. 3 from the Governor of Washington.

Sincerely yours,

H. L. STIMSON.

(Inclosures: Letter, Governor Martin, of Washington, to the honorable the President of the United States Senate, with inclosure.)

STATE OF WASHINGTON,  
EXECUTIVE DEPARTMENT,  
Olympia, January 24, 1933.

To the honorable the PRESIDENT OF THE UNITED STATES SENATE,  
Washington, D. C.

DEAR MR. PRESIDENT: It is my pleasure to transmit to you herewith certified copy of Senate Joint Resolution No. 3, as received and filed in the office of the secretary of state of the State of Washington on the 20th day of January, 1933.

Cordially yours,

CLARENCE D. MARTIN,  
Governor of Washington.

STATE OF WASHINGTON,  
DEPARTMENT OF STATE.

To all to whom these presents shall come:

I, Ernest N. Hutchinson, secretary of state of the State of Washington and custodian of the seal of said State, do hereby certify

that the annexed is a true and correct copy of Senate Joint Resolution No. 3, as received and filed in this office on the 20th day of January, 1933.

In testimony whereof I have hereunto set my hand and affixed hereto the seal of the State of Washington. Done at the capitol at Olympia this 20th day of January, A. D. 1933.

[SEAL.]

ERNEST N. HUTCHINSON,  
Secretary of State.

By A. M. KITTO,  
Assistant Secretary of State.

#### Senate Joint Resolution 3

Whereas both Houses of the Seventy-second Congress of the United States of America by a constitutional majority of two-thirds thereof propose an amendment to the Constitution of the United States, which is in words and figures as follows, to wit:

"Joint resolution proposing an amendment to the Constitution of the United States

"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following amendment to the Constitution be, and hereby is, proposed to the States, to become valid as a part of said Constitution when ratified by the legislatures of the several States as provided in the Constitution:

#### "ARTICLE —

"SECTION 1. The terms of the President and Vice President shall end at noon on the 20th day of January and the terms of Senators and Representatives at noon on the 3d day of January of the years in which such terms would have ended if this article had not been ratified; and the terms of their successors shall then begin.

"SEC. 2. The Congress shall assemble at least once in every year and such meeting shall begin at noon on the 3d day of January, unless they shall by law appoint a different day.

"SEC. 3. If, at the time fixed for the beginning of the term of the President, the President elect shall have died, the Vice President elect shall become President. If a President shall not have been chosen before the time fixed for the beginning of his term, or if the President elect shall have failed to qualify, then the Vice President elect shall act as President until a President shall have qualified; and the Congress may by law provide for the case wherein neither a President elect nor a Vice President elect shall have qualified, declaring who shall then act as President, or the manner in which one who is to act shall be selected, and such person shall act accordingly until a President or Vice President shall have qualified.

"SEC. 4. The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right of choice shall have devolved upon them, and for the case of the death of any of the persons from whom the Senate may choose a Vice President whenever the right of choice shall have devolved upon them.

"SEC. 5. Sections 1 and 2 shall take effect on the 15th day of October following the ratification of this article.

"SEC. 6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission."

Therefore, be it

Resolved by the Legislature of the State of Washington:

SECTION 1. That said proposed amendment to the Constitution of the United States of America be, and the same is, hereby ratified by the Legislature of the State of Washington.

SEC. 2. That certified copies of this preamble and joint resolution be forwarded by the Governor of the State to the Secretary of State of the United States, to the presiding officer of the United States Senate, and to the Speaker of the House of Representatives of the United States.

Adopted by the senate January 19, 1933.

VICTOR A. MEYERS,  
President of the Senate.

Adopted by the house January 19, 1933.

GEO. F. YANTIS,  
Speaker of the House.

Filed January 20, 1933, 1.30 p. m.

ERNEST N. HUTCHINSON,  
Secretary of State.

#### DISPOSITION OF CERTAIN LIGHTHOUSE RESERVATIONS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Commerce, transmitting a proposed draft of legislation authorizing the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes, which, with the accompanying papers, was referred to the Committee on Commerce.

#### REPORT OF THE CAPITAL TRACTION CO.

The VICE PRESIDENT laid before the Senate a letter from the president of the Capital Traction Co., transmitting, pursuant to law, the report of the company, showing receipts and disbursements, etc., for the year ended December 31, 1932, which, with the accompanying report, was referred to the Committee on the District of Columbia.



## REPORT OF WASHINGTON GAS LIGHT CO.

The VICE PRESIDENT laid before the Senate a letter from the president of the Washington Gas Light Co., transmitting, pursuant to law, a detailed statement of the business of the company, together with a list of stockholders, for the year ended December 31, 1932, which, with the accompanying papers, was referred to the Committee on the District of Columbia.

## REPORT OF THE GEORGETOWN GAS LIGHT CO.

The VICE PRESIDENT laid before the Senate a letter from the vice president of the Georgetown Gas Light Co., transmitting, pursuant to law, a detailed statement of the business of the company, together with a list of stockholders, for the year ended December 31, 1932, which, with the accompanying papers, was referred to the Committee on the District of Columbia.

## REPORTS OF THE CHESAPEAKE &amp; POTOMAC TELEPHONE CO.

The VICE PRESIDENT laid before the Senate a letter from the president of the Chesapeake & Potomac Telephone Co., submitting, pursuant to law, a comparative general balance sheet of the company for the year 1932, which, with the accompanying papers, was referred to the Committee on the District of Columbia.

He also laid before the Senate a letter from the president of the Chesapeake & Potomac Telephone Co., submitting, pursuant to law, a complete report of the operations of the company for the year 1932, which, with the accompanying report, was referred to the Committee on the District of Columbia.

## PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter in the nature of a petition from officers and members of the National Organization Masters, Mates and Pilots of America, signed by its secretary, New York City, N. Y., praying for the passage of legislation known as the Costigan and La Follette emergency relief bill, being the bill (S. 5125) to provide for cooperation by the Federal Government with the several States in relieving the hardships and suffering caused by unemployment, and for other purposes, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the Board of Commissioners of Salt Lake City, Utah, favoring the passage of legislation to exempt from taxation States, State agencies and publicly owned utilities, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Board of Commissioners of Salt Lake City, Utah, favoring the passage of legislation to establish a standard of integrity and sound economy of municipal bond issues and giving to municipalities which meet such standard the same rights enjoyed by national banks to receive currency on the pledge of their bonds, which was referred to the Committee on Finance.

Mr. FESS presented resolutions adopted by local chapters of the Woman's Christian Temperance Union of Ada, Bucyrus, Clarksville, Cumberland, and Kent; the Lillian Stevens Chapter of the Woman's Christian Temperance Union of Cleveland; the Marion County Woman's Christian Temperance Union, of Marion; the Cuyahoga County Woman's Christian Temperance Union, and the Tedrow Christian Bible School, of Wauseon, all in the State of Ohio, remonstrating against the repeal of the eighteenth amendment to the Constitution or the repeal or modification of the national prohibition law, which were ordered to lie on the table.

Mr. WALSH of Massachusetts presented the memorial of Mrs. H. E. Wells and sundry other citizens of Northampton, Mass., remonstrating against increased governmental expenditures, which was referred to the Committee on Appropriations.

He also presented memorials and papers in the nature of memorials of sundry citizens of Boston, Chelmsford, Everett, Lowell, Lynn, Malden, Medford, Melrose, and Tewksbury, all in the State of Massachusetts, remonstrating against the re-

peal or modification of the national prohibition law, which were ordered to lie on the table.

Mr. CAPPER presented memorials of sundry citizens of Oswego, Wellington, and Winfield, all in the State of Kansas, remonstrating against the repeal of the eighteenth amendment to the Constitution or the modification of the national prohibition law, which were ordered to lie on the table.

He also presented resolutions adopted by the Woman's Christian Temperance Union of Burlington; members of the official board of the Civic Service League and of the official board of the Christian Church, both of Hope; and a resolution adopted at a union Victory Day service of three churches at Jetmore, all in the State of Kansas, protesting against the repeal of the eighteenth amendment to the Constitution or the modification of the national prohibition law, which were ordered to lie on the table.

He also presented resolutions adopted by the Woman's Foreign Missionary Society of Attica; the "What So Ever" Methodist Sunday School Class, of Burlington; members of the Wesleyan Methodist Church of Delphos; the Woman's Home Missionary Society of the Methodist Episcopal Church, the Woman's Foreign Missionary Society of the Methodist Episcopal Church, the United Presbyterian Missionary Society, the United Christian Missionary Society, and the Young Women's Christian Association, all of Stafford; the Ministerial Association of Wellington; and local chapters of the Woman's Christian Temperance Union of Burlington, Denison, Lincoln, Jetmore, Meade, Oakley, and Stafford, all in the State of Kansas, favoring the passage of legislation to regulate and supervise the motion-picture industry, which were ordered to lie on the table.

Mr. COPELAND presented resolutions adopted by the Presbyterian Sunday School, of Hancock, and a meeting celebrating the thirteenth anniversary of prohibition, held in the Baptist Church, both in the State of New York, protesting against the repeal of the eighteenth amendment to the Constitution or the repeal or modification of the national prohibition law, which were ordered to lie on the table.

He also presented a petition of sundry citizens of Rockville Center and vicinity, Long Island, N. Y., favoring the making of adequate appropriations for the War Department, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the Nassau County Clearing House Association, New York, opposing the publication of loans made by the Reconstruction Finance Corporation, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the Syracuse Society of Architects, of Syracuse, N. Y., favoring the passage of revenue legislation adopting a general sales tax, which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of Cortland, Deansboro, Oriskany Falls, and Solville, all in the State of New York, praying for the adoption of the so-called stop-alien-representation amendment to the Constitution, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Paul Revere Council, No. 190, Junior Order United American Mechanics, of the Bronx, New York, favoring the passage of legislation to carry out the purpose of the "buy American" movement, which was ordered to lie on the table.

He also presented the petition of the Woman's Home Missionary Society, of Norwich, N. Y., praying for the passage of legislation to regulate and supervise the motion-picture industry, which was ordered to lie on the table.

He also presented the petition of the Woman's Home Missionary Society of the Drew Methodist Episcopal Church of Port Jervis, N. Y., praying for the prompt ratification of the World Court protocols, which was ordered to lie on the table.

He also presented a memorial of sundry citizens of Owego and vicinity, in the State of New York, remonstrating against

the repeal or modification of the national prohibition law, which was ordered to lie on the table.

He also presented resolutions adopted by adult members of the Hancock Baptist Church School and the Home Missionary Society of the Methodist Episcopal Church, both of Hancock, and the Woman's Christian Temperance Union of Norwich, all in the State of New York, protesting against the repeal of the eighteenth amendment to the Constitution or the repeal or modification of the national prohibition law, which were ordered to lie on the table.

Mr. GRAMMER presented a memorial of sundry citizens of King County, Wash., remonstrating against the repeal or modification of the national prohibition law, which was ordered to lie on the table.

He also presented the following joint memorial of the Legislature of the State of Washington, which was referred to the Committee on Finance:

#### House Joint Memorial 2

*To the honorable the Senate and House of Representatives of the United States of America in Congress assembled:*

We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, most respectfully present and petition your honorable body as follows:

Whereas the immediate and greatest need of this Nation is to establish a fully employed citizenship, and normally functioning private industry offers the most desirable employment opportunities, and the primary and largest market for American produce and manufactures is found in meeting the wants of the American people, and the necessary employment in supplying these wants belongs first to American workmen; and

Whereas without the free flow of gold, the common medium of international values, the exchange rates of many nations' currencies have, by application of the law of supply and demand, become divorced from the actual values of those currencies as measured in buying power within the bounds of the Nation issuing the currency; and

Whereas depreciated currency is seriously handicapping American industry, and our foreign markets are stifled, and our domestic industries face destruction by increased imports from depreciated-currency nations; and

Whereas the economic life of the State of Washington is derived from basic industries, such as lumber, fish, pulp, wheat, fruits, coal, cement, and their allied industries, and the very existence of capital, industry, employment, wages, and our standards of living are based on the profitable operation of these basic industries; and

Whereas the Nation faces an emergency and the differences in money levels have existed for a long period and have not become adjusted; and

Whereas nations whose currencies are depreciated are able to ship merchandise into the United States, pay the existing tariffs, accept American currency in payment, and to make a greater profit on their merchandise than if sold in their own markets; and

Whereas such importations from more than 40 nations of the world into the United States under the existing depreciated-currency conditions has the effect of not only eliminating all tariff structures but of enabling such merchandise to be sold at such a low price in the markets of the United States as to handicap and paralyze American industry and increase unemployment, and the industries of the United States are facing bankruptcy and destruction; and

Whereas we believe that unless this legislation is immediately passed chaos and ruin threaten the financial and governmental structure of the United States; and

Whereas Congressman SAMUEL B. HILL, of the State of Washington, has introduced in the present session of Congress H. R. 13999, the official title of which is: A bill "To prevent loss of revenue, to provide employment for American labor, and to maintain the industries and agriculture of the United States against the effects of depreciation in foreign currencies"; and

Whereas the delay in enacting this bill into law at the present session of Congress is causing continued and alarming increase in unemployment in our industries, American industry and agriculture are being seriously harmed, and in many instances ruined, by this disastrous new form of competition, which is forcing hundreds of thousands of workmen to sacrifice their jobs; and

Whereas the Government of the United States is being deprived of vast customs revenue under existing conditions; and

Whereas equalization measures must be adopted to preserve American jobs for American workmen: Now, therefore, be it

*Resolved*, That the Senate and House of Representatives of the State of Washington respectfully urge the present Congress now in session, and the President of the United States, to promptly enact into law H. R. 13999; and be it further

*Resolved*, That this memorial be immediately transmitted to the proper officers and committees of the United States Senate and House of Representatives, and a copy sent to each of the Representatives and Senators representing the State of Washington in the United States Congress; and be it further

*Resolved*, That this memorial be immediately forwarded to the legislatures of all the States of the United States, requesting that they pass and present similar memorials to Congress; and

Your memorialists will ever pray.

Passed the house January 18, 1933.

GEO. F. YANTIS,  
Speaker of the House.

Passed the senate January 19, 1933.

VICTOR A. MEYERS,  
President of the Senate.

#### REGULATION OF MOTION-PICTURE INDUSTRY

Mr. CAPPER. Mr. President, I present petitions signed by 4,961 citizens of Kansas, asking for the enactment of legislation to regulate and supervise the motion-picture industry, which I ask to have received and to lie on the table. As the petitioners state, the motion pictures have untold power for good or evil in national life and character, and in international relations; also that efforts to elevate the movies through cooperation with the industry do not seem to have been overly successful. I hope the Senate takes early and favorable action on this subject.

The VICE PRESIDENT. The petitions will be received and lie on the table.

#### REPORTS OF COMMITTEES

Mr. VANDENBERG, from the Committee on Commerce, to which was referred the bill (H. R. 9385) authorizing Roy H. Campbell, Charles H. Brown, G. H. Wilsey, and Dr. H. O. Strosnider, their heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Des Moines River at or near St. Francisville, Mo., reported it without amendment and submitted a report (No. 1128) thereon.

Mr. SHORTRIDGE, from the Committee on Naval Affairs, to which was referred the bill (S. 5539) authorizing the Secretary of the Navy to grant a perpetual easement of 15 feet in width to Pacific Gas & Electric Co., a California utility corporation, over, across, in, and upon the site of the lighter-than-air base, near Sunnyvale, in the county of Santa Clara, in the State of California, for an existing 20-inch gas main, reported it with amendments and submitted a report (No. 1129) thereon.

He also, from the same committee, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 5498. An act to authorize an increase in the limit of cost of one aircraft carrier (Rept. No. 1131); and

S. 5555. An act to authorize an exchange of lands between the city of San Diego and the United States (Rept. No. 1130).

Mr. GOLDSBOROUGH, from the Committee on Naval Affairs, to which was referred the bill (S. 5214) to correct the naval record of Michael J. Budzinski, reported it with amendments and submitted a report (No. 1132) thereon.

Mr. McNARY, from the Committee on Appropriations, to which was referred the bill (H. R. 13872) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1934, and for other purposes, reported it with amendments and submitted a report (No. 1133) thereon.

#### SENATOR FROM MINNESOTA

Mr. HEBERT, from the Committee on Privileges and Elections, reported a resolution (S. Res. 343), as follows:

*Resolved*, That THOMAS D. SCHALL is hereby declared to be a duly elected Senator of the United States from the State of Minnesota for the term of six years, commencing on the 4th day of March, 1931, and is entitled to be seated as such.

The VICE PRESIDENT. The resolution will be placed on the calendar.

#### THE PURCHASING POWER OF THE DOLLAR

Mr. FLETCHER presented a telegram from A. B. Chitty, president Lewis-Chitty Consolidated, wholesale grocers, of Jacksonville, Fla., which was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:



JACKSONVILLE, FLA., January 30, 1933.

Senator DUNCAN U. FLETCHER,  
Washington, D. C.:

Whether lowering the purchasing power of our dollar would be beneficial or not, I can not say. However, unless dollars buy less than they do now producers and traders will be completely broke in next few months. Honesty and brains that our Congress has should find some way to help our people from the debacle we are in. I have bartered flour for pork, sugar for potatoes, and was able to get ahead—do my community good as a taxpayer. Now there seems to be no money to trade with. Banks have their funds in Government securities and are afraid to loan. People who have cash are afraid to invest. If the Wheeler bill is good bill, pass it. If a small group have gotten control of all money, it's serious. Better not wait for a perfect panacea or the waiting will cause a blowup.

A. B. CHITTY,

President Lewis-Chitty Consolidated, Wholesale Grocers.

## LICENSE FEES FOR EDUCATIONAL BROADCASTING STATIONS

Mr. SCHALL. Mr. President, it seems to me that the suggestion made by Doctor Coffman, president of the University of Minnesota, contained in a letter addressed to me concerning exorbitant license fees for educational broadcasting stations, is well taken. I ask that Doctor Coffman's letter be printed in the RECORD and referred to the Committee on Interstate Commerce.

There being no objection, the letter was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

UNIVERSITY OF MINNESOTA.  
Minneapolis, January 27, 1933.

HON. THOMAS D. SCHALL,  
United States Senator, Washington, D. C.

MY DEAR SENATOR SCHALL: May I call your attention to Senator DILL's bill, No. S. 5201, which provides for somewhat heavy license fees for educational broadcasting stations. It is estimated that under this provision a number of radio stations owned by educational institutions will have to pay annual license fees ranging from \$300 to \$450 each.

It occurs to me that the imposition of such license fees by the Federal Government on State institutions may involve a constitutional question.

We base our objection to it primarily, however, on the ground that radio broadcasting by colleges and universities is an educational function and not a money-making enterprise. The university radio station here broadcasts informative programs on agriculture, economics, politics, behavior problems of children, modern languages, music, etc. We are unable to see why such activities should have imposed upon them burdensome penalties. Many of the educational broadcasting stations will find the payment of this fee a financial hardship, and will probably have to withdraw from the broadcasting field altogether.

We should like to see this provision removed from the bill, and trust that we may count on your influence toward that end. We beg to assure you of our appreciation of anything you may do in that direction.

Cordially yours,

L. D. COFFMAN, President.

## REFINANCING OF FARM INDEBTEDNESS

Mr. SCHALL. Mr. President, I am in receipt of a letter from a farmer in the vicinity of Fergus Falls who has just had his home foreclosed by the Federal land bank. He writes me asking what Congress is doing to refinance farm indebtedness.

This question is being asked the country over by farmers in distress in like circumstances. I wish I could tell him something that will be done. Certainly it is most imperative that something be done.

The policy laid down by this Congress last spring, when the additional \$125,000,000 was appropriated for stock in the Federal land banks, was that leniency should be shown in the granting of extension of time, and that foreclosures were in each instance to be made only where the farmer had himself despaired of the future and had abandoned his place. Such has also been the policy of the administration, and has been so publicly announced many times. Likewise has the Federal Farm Loan Board stated to the country, leading it to believe that every leniency possible has been extended to the farmer in distress. However, letters keep coming in, all to the effect that such is not the actual practice of the different land banks, and stating that on the contrary instead of granting extensions of time they are as a matter of fact foreclosing, sometimes only on a pretext. Their policy is such as to lead one to believe that they actually are anxious to

take over farms where the installments paid back on the debt have been the largest and where the equity is the greatest. Surely the practice of the Federal land banks is not consistent with the policy declared both by Congress and by the President, and it should be an easy matter to grant at least this much consideration to the farmer and the people in distress that they are not evicted from farm and home merely to satisfy some ambitious subordinate of the land-bank system desiring to make a record. This is no time for commercial records; on the contrary, is a time for the Government as a matter of self-preservation to grant every possible consideration. Its pride should be not in commercial records, but humanitarian records.

I ask leave to print the letter in the RECORD and that it be appropriately referred.

There being no objection, the letter was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

FERGUS FALLS, MINN.,  
Friberg, January 26, 1933.

DEAR SENATOR: Would you kindly inform me what Congress is doing in regards refinancing farm indebtedness? The sheriff was here to-day and foreclosed on my home by the Federal Land Bank, St. Paul, Minn. Is there anything done besides talk?

D. BUDKE.

## BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TOWNSEND:

A bill (S. 5563) granting an increase of pension to Mary Elizabeth Hall (with accompanying papers); to the Committee on Pensions.

By Mr. COPELAND:

A bill (S. 5564) to extend the times for commencing and completing the construction of a bridge across Hudson River at or near Catskill, Greene County, N. Y., and for other purposes; to the Committee on Commerce.

By Mr. WHEELER:

A bill (S. 5565) granting a pension to John Ransom; to the Committee on Pensions.

By Mr. ODDIE:

A bill (S. 5566) to prohibit the importation of articles from certain countries, and for other purposes; to the Committee on Finance.

By Mr. THOMAS of Oklahoma:

A joint resolution (S. J. Res. 247) to provide protection and relief to farmers by aiding them to conserve and liquefy their mineral rights through recognized and established cooperative agencies engaged in the pooling of mineral rights underlying farm lands; to the Committee on Banking and Currency.

## HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated below:

H. R. 14359. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

H. R. 14416. An act to make the Federal gasoline tax effective until June 30, 1934; to the Committee on Finance.

## HEARINGS BEFORE COMMITTEE ON INTEROCEANIC CANALS

Mr. SCHALL submitted the following resolution (S. Res. 344), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Interoceanic Canals, or any subcommittee thereof, is authorized, during the Seventy-second Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.



## MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

## CURRENCY INFLATION—ARTICLE BY WALTER LIPPMANN

Mr. WALSH of Massachusetts. Mr. President, I suppose there is no subject engaging the public attention so extensively or any subject that is more important at the present time than that of inflation. A good many articles have been put in the RECORD written by various students of that question. I should like to have inserted in the RECORD, in order that we may have all possible information, an article by Mr. Walter Lippmann, entitled, "Which Kind of Inflation." I think it is a valuable contribution to the general discussion of the subject.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Boston Globe, January 25, 1933.]

## WHICH KIND OF INFLATION

The discussion about money and prices would be much less confusing if the advocates of various policies would say clearly what they mean. For, as the argument is now running, the public is led to believe that there is a radical or heretic school which wishes to raise prices by monetary devices, and a conservative, or orthodox, school, which does not wish to raise them. The impression is untrue. If we take the proposals of men like Messrs. BORAH, WHEELER, THOMAS, PATMAN, as representatives of the alleged radicals and the policies of the Federal reserve system, as representative of the alleged conservatives, we find that there is no issue between them as to the desirability of raising prices by monetary action. We find, also, that there is no issue between them on the desirability of expanding the supply of money to raise prices.

What, then, is the issue between them? It is whether the wise and effective policy is to raise prices by inflating currency or by inflating credit. Mr. BORAH and his colleagues wish in one way or another to inflate the currency; that is, to issue more dollar bills. The Federal reserve system has for about nine months been inflating the basis of credit in the hope that bankers and borrowers will use that credit to expand investment in productive enterprises.

Both schools agree that an increase in the supply of money ought to have some effect in raising prices, or, to put it in another way, that an increase in the supply of money is the necessary condition of a rise in prices. They differ in the first instance as to which part of our supply of money to deal with. There are two kinds of money in use. There is the currency which we carry around in our pockets or, perhaps, hide in the mattress. Then there are bank deposits which can be cashed into currency, but are for the most part drawn upon by check. The supply of money consists of currency plus bank deposits. The currency inflationists wish to increase the currency; the credit inflationists wish to increase the bank deposits.

The first question, then, is which part of the money supply it is most desirable to increase. How is that question to be answered? A beginning in answering it can be made by looking to see which part of the supply of money has shrunk during the depression. If Mr. BORAH and his friends will study the figures, they will find that the volume of currency in circulation to-day is about 5.7 billion dollars. They will find that in 1929, at the height of the boom, the value of currency was only 4.8 billions. In other words, we actually have nearly a billion dollars more currency to-day, when we are at the bottom of the depression, than we had when business was humming. If more currency will raise prices, why have prices fallen though we have more currency? Surely it is clear that the volume of currency does not determine the level of prices.

Now look at the other kind of money—at bank credit. Here we see a very different picture. In 1929 the volume of bank credit stood at 58.8 billions. To-day it stands at 46.1 billions. Nearly \$13,000,000,000 of bank money have been deflated out of existence at a time when prices have fallen so disastrously. Surely, if there is a connection between the quantity of money and the level of prices the connection must be right here. Bank money has shrunk nearly 25 per cent. Wholesale prices have fallen about 35 per cent. There is some sense in arguing that there is a connection between the two. But there is no sense in saying that prices have fallen 35 per cent because there is not enough currency when, in fact, currency has increased 16 per cent.

The currency inflationists have fixed their attention on the unimportant part of the money supply on the currency which, in 1929, was less than one-twelfth of the whole supply and to-day is about one-tenth. The practical question is: If what you wish to do is to increase the quantity of money is there any point in concentrating on one-tenth part of our money? Why not concentrate attention on the nine-tenths.

Though we still have \$46,000,000,000 of bank money, the moment currency inflation started, this bank money would begin to shrink. People would call their loans and convert them into gold or some other thing that they could hoard. Therefore, a currency inflation would either have to go to extreme lengths,

such as issuing about \$12 for every one now out—or there would be less actual money at the end of it than at the beginning.

This is the basic reason why currency inflation is not worth monkeying with. If you issue a little more currency, say \$1,000,000,000 or \$2,000,000,000 more, and convince people that that is all you are going to issue, it won't make any appreciable difference in the level of prices. If, on the other hand, you issue great amounts of new currency, the amount which would be necessary to bring the total quantity back to 1929, you will make the currency worthless. For no one in his senses will wish to accept a currency which is going to be expanded ten or twelve times. Since no one will trust the money, no one will lend money to the Government or to anyone else. He knows he will never get it back. The result is that the Government can no longer borrow to cover its deficit. It must, therefore, issue more money. The more it issues the more worthless does the money become.

A currency inflation which would really raise prices would have to be such an enormous inflation that it would be uncontrollable. A currency inflation which was moderate and under strict control would not raise prices.

## "AN APPEAL TO CONGRESS—STOP MAKING AMERICA 'THE FINANCIAL MILK COW OF THE WORLD'"

Mr. GRAMMER. Mr. President, hearings are now under way before a committee of the House on measures intended to correct our economic losses to domestic industry, which have been brought about by false values created in foreign countries that have gone off the gold standard. The Pacific Northwest has felt the full force of this upheaval in relative values in connection with every major industry of that area. The practical result of our failure to compensate for currency fluctuations in fixing the values of imported articles has been set down in most graphic form by Mr. William D. Welsh, publisher of the Port Angeles Evening News, Port Angeles, Wash., in an article signed by him in the issue of January 17, 1933. From personal knowledge, I am able to assure the Senate that the portrait he pictures is not overdrawn, and that the situation is in fact more desperate than the article indicates. I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

## AN APPEAL TO CONGRESS—STOP MAKING AMERICA "THE FINANCIAL MILK COW OF THE WORLD"

By William D. Welsh

Gentlemen of the United States Congress: This appeal comes from Port Angeles and the vast Olympic Peninsula of Washington State, where industry, fisheries, mining, farming, shipping, commerce, and labor of a once prosperous people have been trampled underfoot by a devastating and unfair competition from nations operating under depreciated currencies. It is not the selfish appeal of one class of Americans against another, for the conditions prevailing here maintain throughout the forty-eight States of America. It is the fervent cry of suffering legions to their representatives in Congress to pass a depreciated currency-correction measure such as H. R. 13999 before the present session ends and before further human suffering ensues.

Port Angeles is located on the shores of Juan de Fuca Strait, which divides Canada from the United States, and on whose waters the commerce of the North Pacific coast ebbs and flows. Port Angeles is located in the heart of the logging, lumbering, fishing, farming, pulp, and paper producing section of the Olympic Peninsula, and is the gateway to the greatest stand of pulp forests remaining in the United States. Up until some 47 nations followed Great Britain off the gold standard, and the domestic trade of the United States became the golden calf to be worshiped and coddled by debased currency nations, this region was one of the most stable and prosperous in America. Gentlemen, that prosperous condition is now only a memory. Mills are silent. Fisheries in the doldrums. Farming in peril. Mining a thing of the past. Business is virtually at a standstill, and hundreds of men daily appear before charity and indigent relief headquarters for odd jobs and bare subsistence rations.

The principal reason for this situation is the competition which our industries face from countries whose currencies are no longer on the gold standard. By reason of the depreciation of their currencies, these countries enjoy a preference in the markets of the United States ranging from 13 per cent for imports from Canada, 35 per cent to 45 per cent for imports from Scandinavian countries, and 50 per cent to 60 per cent for imports from Japan.

The practical working of this situation is that our salmon canners, for example, marketing their product on a normal basis of 75 cents a dozen are meeting the competition of a closely similar article from Japan at a price of 30 cents to 37½ cents. A similar condition exists in the dairy industry, which faces competition from Canada, Denmark, and New Zealand; the manganese industry, facing Russian competition; the pulp and paper industry, whose competition comes from Canada and the Scandinavian countries; and numerous others.

H. R. 13999 corrects this situation. By the simple expedient of placing a countervailing duty on imported articles to equal the



debased percentage of the currency, the world dollar is automatically leveled at American customs ports. If the Japanese currency is off 60 per cent on the day a \$100,000 cargo lands in America from that nation, the countervailing duty would be \$60,000 on the cargo. Should the cargo be landed the United States Treasury benefits \$60,000. Should the duty keep the cargo out of the United States, then American factories and American workmen would be given business and employment manufacturing the articles the Japanese cargo sought to displace.

#### MOUNTAINS OF AMERICAN MANGANESE

Thirty miles west of Port Angeles, millions of tons of manganese ore have been located and staked out in the Olympic Mountain Ranges awaiting the day when Congress halts the flow of Siberian-mined manganese from being dumped onto the American market. This American manganese is so located that gravity chutes can carry it to railroads already constructed. Thousands of tons of manganese were once mined from the Olympic hills and transported by American railroads and American steamers to the steel mills of the East. Russian competition blotted out the industry. Before the soviet invasion American hard-rock miners were working and happy. Tonnage was provided for railroad trains and work for train crews in transporting the ore to tidewater bunkers here. American longshoremen were busy loading it to American steamers bound through the Panama Canal to steel cities of the Atlantic seaboard. All that ended when the Russian bear stepped into the picture. Wild salal obliterates the tunnel entrances now; railroad rails are rusting, tidewater bunkers are empty, and American steamers call no more. You have permitted Soviet Russian mining to prosper and killed an American mining industry, gentlemen.

#### COAST FISHING FLEET BEING SCUTTLED

One thousand salmon purse seiner and trolling boats, besides numerous halibut boats, of the Washington fishing fleet, operated out of Quillayute and Neah Bay Harbors, 70 miles west and north of Port Angeles during the spring, summer, and fall seasons. For countless years these boats have been manned by hardy, prosperous seamen, all home owners, boat owners, and taxpayers. Under the debased condition of the Japanese yen, imports of Japanese salmon and other fish damaged markets and dropped prices so low this year that poverty rode the waves with the 1932 fishing fleet, gentlemen. For the first time in history Government vessels and charity organizations donated fuel and food to Pacific-coast fishermen. Many of the vessels are now tied up in this harbor, and many of their owners are living off charity. By failing to equalize currency at the customs ports, gentlemen, you have O. K'd Japanese prosperity and scuttled the Pacific coast salmon and halibut and tuna fleets.

#### PULP AND SAW MILLS CLOSE DOWN

Port Angeles' sawmill, shingle, pulp, and paper industries ordinarily employ 1,200 men, with an equal number in the woods to harvest raw resources to be remanufactured at tidewater here. Because of the devastating competition from Canada, Sweden, Denmark, Norway, and other countries, but one mill of five is now operating, and most of the logging and pulp-mill camps are down. Because of the highly debased currency of foreign lumber and pulp producing regions, importations of pulp and paper to the three Pacific-coast States during 1932 displaced 4,000 American workmen from 250 days' labor. In plain words, 1,000,000 days' labor was lost to American workmen because you are permitting this debased currency competition to continue unchallenged. And, gentlemen, when a pulp and paper mill stops running that does not mean only that her millworkers are out of work. It also means economic stagnation for the pulpwood cutter in the backwoods, the trucker, the train crews, lime-rock quarriesmen, sulphur miners, longshoremen, steamer crews, and other workers.

#### MENACE OF CHEAP FOREIGN BUTTER

Cubes of New Zealand butter landed on the Pacific coast early in January to cast another depreciated currency shadow on a fundamental American industry—dairying. After freight was paid on the 6,000-mile haul, and 14 cents per pound tariff added, the butter sold at San Francisco for only 26 cents per pound—far under the American butter price for that week. The depreciated currency of the shipping nation made that price possible and cast a shadow over dairy herds in America. The same threat comes from Denmark.

Shipments of Canadian cream, butter, and hogs increased heavily in 1932. The United States lost her United Kingdom wheat trade of 1932 because depreciated-currency countries find it profitable to trade with each other. American wheat shipments to the United Kingdom were 50,000,000 bushels under the 1931 mark, while Canada, Australia, and the Argentine zoomed their exports to new high levels. While Japan was menacing the salmon, sardine, and tuna trade of the United States, she also was able to ruin the American market in France, completely capturing the 1932 French fish market while the United States shipped that nation a bare 5 tons of fish. The debased condition of the Japanese yen turned the trick. The United States railroad and passenger steamers are losing millions of dollars in business for the reason that American dollars buy more passage on vessels and railroads of debased-currency nations. And, as if this were not enough, United States travelers spent \$640,000,000 in Europe, and United States people sent \$131,000,000 in relative remittances to the "old folks at home" during 1932. No wonder they call America "the milk cow of the world."

Lumber was given a \$3 tariff protection at the last session of Congress, gentlemen, and to wipe out a great part of the benefit

the United States customs legal department declared that large construction timbers, lath, shingles, and railroad ties do not come under the heading of "rough lumber." And these four mill products, gentlemen, form much of the business of western mills.

#### DEMAND CORRECTIVE LEGISLATION

Because of debased currency competition the Olympic Peninsula and the great Northwest plead for immediate passage of corrective legislation; legislation that will start the wheels of Pacific-coast industry to work within 30 days and take 120,000 men out of State bread lines. While thousands of former pulp-mill workers of this State wait their turn to work a few days for a subsistence ration doled out by a county indigent officer, foreign vessels steam up the Strait of Juan de Fuca before their eyes—carrying Swedish, Newfoundland, Canadian, Norwegian, and German pulp to American markets. Foreign vessels, foreign crews, foreign pulp and paper—and Americans starving.

Hundreds of unemployed shingle workers stand in amazement while trainloads and shiploads of Canadian shingles go by their door to American markets.

Crewless American fisher craft rise and fall in the swells from Japanese steamers bringing great cargoes of salmon and tuna to flood American markets and cast a shadow and a blight over the once great prosperous fishing industry of Washington, Oregon, California, and Alaska.

Gentlemen, the unemployed mill worker in the bread line, the jobless shingle sawyer by the railroad track, the gaunt-bellied fisherman, the cowboy in the saddle, the miner in his shanty, the woodsman in his cabin demand to know why you delay a return of their buying power. They want to know why you permit foreigners to nurse at the breast of America, while her own industrial, farming, mining, and laboring children perish for want of nourishment. They want to know why you fiddle while Rome burns. They demand to know why you talk of beer percentages and Philippine independence 12 years off when they need bread now. They fear that continuation of present conditions may cause the American worker to lose his most priceless heritage—the will to work, the initiative to create and maintain a home, and the independence that made the United States great.

Gentlemen, within 1 mile of where this is written, stand four great sawmills, shingle mills, and pulp and paper mills that in 1929 employed 1,200 men. These mills are idle—gray, smokeless ghosts of a prosperous day existing before a slumbering American leadership "sold them down the river" to an economic foe.

Within three blocks of where this is written, between 700 and 1,000 once well-paid and happy home-owning workmen await their turn for one and two days' work weekly provided by already overburdened taxpayers at \$2 per day as a bare subsistence for the unemployed. Within eight blocks of where this is written, a tiny girl fainted from hunger in school one December day, and, when revived by her teacher and asked what was wrong, said: "Teacher, it was brother's turn to eat to-day." What is written in tears and suffering in Port Angeles is written in the same indelible fluid in every city and hamlet in America.

#### THOUSAND UNEMPLOYED HERE

Gentlemen of Congress, the 1,000 unemployed Americans in Port Angeles, the 120,000 unemployed Americans in Washington State, the 12,000,000 unemployed Americans in the United States are pleading with you to pass legislation immediately correcting the blight caused by foreign competition under depreciated-currency conditions. Some of these men served in the Army, the Navy, and the Marine Corps you sent overseas in 1917 to protect you and yours from a foreign foe. Couldn't you do the same for them now? Thank God, these men do not ask a dole. It isn't a sack of Red Cross flour or a pair of cast-off Army shoes they want. They want their jobs back—the jobs they had before foreigners captured American markets—and they are not quibbling over wages, either.

#### APPEALING TO CONGRESS

These millions of patriotic and marvelously patient unemployed Americans ask that the people they sent to Congress act immediately for the benefit of those people who sent them to Congress, and not be lulled to lethargy by the siren croon of international bankers, academic internationalists, paid lobbyists, and a handful of selfish American importers. They ask for a fair field and no favor. They ask for a chance for their white alley—a chance at the lathe, the bench, the loom, the fishline, the saw, the ax, the machine—to produce those articles used in American everyday life and now being furnished by foreign workers. They want to spend the golden tide of their earnings to bring prosperity back to the United States of America. Behind these legions of unemployed Americans stand the patient and hopeful women of America and their undernourished and scantily clad children. And many a tearful, expectant American mother turns her face to the bleak bedroom wall and prays that some miracle happens that will provide food for the babe that now stirs beneath her breasts.

Gentlemen of Congress, these are my people and your people. You are in the great city of Washington, where the tax moneys of a burdened people furnish a golden stream to create prosperity in our National Capital. You see no poverty there. The noise of marble chisel and riveting machine about the Capital buildings drowns out the echoes of depression from the balance of America. But it is out there beyond the rim just the same. The writer is out on the firing line, in a representative American maritime city of 10,000 people, of which 5,000 will be dependent upon public charity or the goodness of their neighbors before summer suns can



warm their poorly clad bodies. In the name of these people and the United States they still believe great, this appeal is written. These people can not all personally write, but they are banking on this message reaching your eyes and your hearts. They are banking on you as real Americans to forget for a time the oily arguments of bespatted diplomats from other shores, to banish the buffoonery of beer percentage and the distant freedom for a tiny brown race until the real issue of America is settled—and that issue is passing of the depreciated-currency legislation.

Gentlemen of Congress, the time has come for you to become your brother's keeper. They are your people. And they are on their knees, arms outstretched, asking God for guidance and further patience in their hour of economic travail, and imploring their Congress for an opportunity to earn that for which men and women and children have prayed since the dawn of a Christian civilization—"Give us this day our daily bread."

#### THE TARIFF AND DEPRECIATED FOREIGN CURRENCIES

Mr. HATFIELD. Mr. President, what I shall have to say this afternoon, I am convinced, deals directly with the subject matter before this body.

When the present tariff act was under consideration I had the pleasure of successfully advocating many of the tariff rates therein incorporated. These rates have partially served to develop the American chemical industry, and to render more and more secure the independence of our country.

At this time, when international relations are under severe stress; when signed agreements of foreign nations seem to substantiate the statement that "treaties are but mere scraps of paper"; when the League of Nations and the Kellogg-Briand pact, both renowned for their impotence, stand discarded in Asiatic domains; it is indeed a pleasure and a high privilege, as an American citizen, to recall my participation in a legislative action that has served so well for the national welfare, and has helped to establish the United States of America as a free and independent people.

In 1914, throughout the breadth and length of this country, we could find no semblance of an organic chemical field. On the other hand, we had a substantial development of inorganic chemical production. In the main, we were wholly dependent at that time upon foreign sources for practically all of our dyes and pharmaceuticals. The shortage of dyes alone, at one time during the World War, threatened the shutdown of the textile industry of this country.

As a Member of the United States Senate I rejoice that those days of 1914 have gone forever, and that progress has reached the point at which we can supply virtually every chemical needed.

I rejoice at the contents of a letter which I recently received from the Chemical Foundation setting forth that to-day we are free from foreign influence for every necessary commodity, with virtually only five exceptions. These five are coffee, tea, tin, rubber, and sisal, and, in my opinion, it need not be absolutely essential within a few years for any one of these five to be imported.

At this point, Mr. President, I desire to have the clerk read, as a part of my remarks, a letter recently received from the American Chemical Foundation which contains an array of facts on our progress that depicts our chemical status at present and paints a future that will be brilliant if untrammelled by interference on the part of foreigners, our international bankers, or a shortsightedness on the part of our National Congress.

The VICE PRESIDENT. Without objection, the clerk will read.

The legislative clerk read as follows:

THE CHEMICAL FOUNDATION,  
New York City, January 6, 1933.

HON. HENRY D. HATFIELD,

Senate Office Building, Washington, D. C.

DEAR SENATOR HATFIELD: The American chemist is delighted to-day to be able to assure the Congress of the United States that they may decide the foreign debt question, or any other foreign question, absolutely free of any dependence on the outside world for any necessity of national life, national health, agriculture, or defense. In these days of criticism, it is a pleasure to assure you that this independence is due to the united efforts of the Congress of the United States, our educational forces, and the support of all the people, with the exception of our international bankers who have been at all times the enemies of American

chemistry and have loaned over \$200,000,000 of the savings of the American people to foreign competitors in their effort to destroy our progress.

Let us look for a moment at the record:

NEW YORK, March 6, 1915.

HON. WILLIAM J. BRYAN,

Secretary of State, Washington, D. C.

MY DEAR MR. BRYAN: Referring to my letter of yesterday regarding the dyestuff situation, I beg to say that I received the following cable this morning from Germany via Milan: "Latest developments make further shipments dyestuffs impossible." The cable was sent to me by Dr. Adolph Haeuser.

The same man that, as I have shown before, wrote the letters directing what Germany wanted in a tariff policy. He has now been made the head of them all, the president of the Verein zur Wahrung der Interessen der Chemischen Industrie, Deutschlands, which is composed of the various chemical and dyestuff manufacturers of Germany, with headquarters in Berlin, and shows the attitude of German manufacturers of dyestuffs in the present crisis.

It is safe to assume that they will take every precaution and go to any length to prevent their products reaching consumers of enemy countries; and unless some agreement can be reached to have the present condition modified, the manufacturers of this country will suffer as much as those of belligerent countries.

Yours very truly,

H. A. METZ.

"Serial No. 432 of March 13, 1915. It is reported to me by Hossenfelder" (German consul general in New York), "telegram No. 4, that the stock of dyes in this country is so small that by a German embargo about 4,000,000 American workmen might be thrown out of employment.

"BERNSTORFF."

This was our condition of servitude in 1915. To-day, under the fostering of Congress, we are able to supply 90 per cent of our consumption of dyes on which in 1929 sixteen billions of American production was dependent, and in case our imports were ended our production of dyes would be ample to supply all our needs.

From report of Consul General Hossenfelder to the German Government, to His Excellency the Imperial Chancellor, Doctor von Bethmann-Hollweg, dated New York, March 3, 1916:

"Neither through money nor the granting of credit, nor by any other means, can that critical situation be relieved which has been called forth by the removal of certain articles which are obtainable only in Germany. These articles are chiefly potash, chemicals, and dyestuffs. Potash is desired by agriculture, inclusive of the cotton planters, all the more urgently since even last year sufficient fertilizer could not be brought to the soil. To enumerate the industries which are suffering from the scarcity of German chemicals would lead too far. I may, however, mention that the cry for help which comes from the world of physicians is becoming louder and louder and more and more insistent."

At that time we were dependent upon Europe for many drugs, including salvarsan, the sole remedy for our 10,000,000 syphilitics; luminal, the sole alleviate for epilepsy, etc. To-day we make all our drugs of better quality than are known in the world and at infinitely cheaper prices than we paid the foreigner. For instance, salvarsan before the war sold for about \$3.50 an ampule. To-day the highest quality sells for 60 cents an ampule. The importation of drugs is negligible.

March 13, 1926, the Committee on Interstate and Foreign Commerce of the House of Representatives submitted a report on the control by foreign governments of production and exportation of certain raw materials essential to our progress.

"1. That controls of either production or exportation which materially affect prices have been instituted by direct or indirect foreign governmental action as follows: The Government of Great Britain, through direction of its colonial office to its East Indian possessions, over rubber; the Government of the State of Sao Paulo, Brazil, over coffee; the Government of Chile over nitrates and iodine; the Governments of Germany and France over potash; the Government of Egypt over long-staple cotton; the Government of Japan over camphor and at times over silk; and the government of Yucatan, Mexico, over sisal."

To-day the chemist has sprung us loose from all these controls, with the exception of coffee, tea, tin, and sisal:

(1) Potash has been discovered in the Southwestern States in ample quantity to supply the United States. Its ability to compete with the potash from the cartels of Germany and France is only a question of freight rates. The ownership of these beds of potash, however, should be watched by the Government.

(2) Manganese. Mr. Charles H. Herty, Jr., son of Dr. Charles H. Herty, has worked out a process whereby our own ores can be used, and thus we become independent of Russia.

(3) Camphor. The Du Pont Co. have just finished their plant, sufficient to supply the needs of the country with synthetic camphor.

(4) Rubber. Synthetic rubber has been perfected by the Du Pont Co., and is being produced in a semiworks plant. Of course, we can not produce rubber to compete at the present price of 4 cents, but a possible recurrence of the Stevenson Act monopoly is at an end. The above committee found that 36 cents was a fair and proper price for the foreign monopoly to exact from our



people. They found that under the Stevenson Act the price reached \$1.21 in 1925, and that in 1926 over \$600,000,000 above the fair and proper price was extorted from our people by the Government-controlled monopoly. By the discovery of our chemists, we are assured that the price will never again go above 20 cents without meeting the competition of American synthetic rubber, and this limit may well be lowered by the usual progress in lessening chemical costs.

(5) Rayon can readily take the place of silk.

(6) Iodine is now being produced by the Dow Chemical Co. from oil wells. This production can easily, in the case of necessity, be expanded to cover our needs.

(7) The possibility of growing an ample supply of long-staple cotton has been developed under the guidance of our Department of Agriculture.

(8) And now come nitrates from the air. Ten American plants are producing and stand ready to produce the entire necessities of this country in peace and war, for agriculture and for munitions, at a price to equal the costs of the world. The farmer to-day is getting his nitrates for \$22 a ton, against \$36 a ton to-day paid by the German farmer, and against the former price of \$90 during the war and \$48 in 1926.

This whole story is set forth in the book I am sending you by Professor Zanetti, which is an unbiased and careful examination of the importance of nitrates in our national life.

It might be added that we have the phosphate rock and the potash and the nitrogen, and we are the only country of the world which has all the necessary ingredients for fertilizers for its soil.

There remain only coffee, tea, and tin. Coffee and tea are not necessities and their synthesis is being worked on by our chemists. For tin there are many substitutes in alloys and other products.

This is an independence possessed by no other country in the world, and it is the object of destruction by world cartels, assisted by our so-called American international bankers.

In addition to the creation of this new independence, chemical education in high school, in college, in graduate school, and research institutions is offering 100 per cent service to our medical profession, to all our industries, and to our national defense.

Two hundred and fifty million dollars have been expended in chemical laboratories in our educational institutions alone.

Our developed chemistry is also able to service the allied sciences of physics, electricity, medicine, etc., as nowhere else in the world. Arithmetic alone of our sciences has been neglected. "Remember, O stranger, arithmetic is the first of the sciences and the mother of safety."

Our schools stop the teaching of arithmetic at the age of 12, and as a nation our people are trying to fight the great battle of life with a child's knowledge of its basic science. Let us develop the teaching of arithmetic through high school and college.

After all we constitute a great village, and peace, contentment, and prosperity wait upon our patriotism, our home contentment, and the ability to mind our own business.

Remember the concluding lines of Oliver Goldsmith's great poem, the *Deserted Village*:

"Aid slightest truth, with thy persuasive strain;  
Teach erring man to spurn the rage of gain;  
Teach him that states of native strength possess,  
Though very poor, may still be very blest;  
That trade's proud empire hastes to swift decay,  
As ocean sweeps the labour'd mole away;  
While self-dependent power can time defy,  
As rocks resist the billows and the sky."

May we not add reproach of the *Deserted Village* to that of the forgotten man.

Wishing you a happy New Year, very truly yours,

FRANCIS P. GARVAN, President.

Mr. HATFIELD. Mr. President, the American chemical industry owes a debt of gratitude to the Hon. Francis P. Garvan for his vision and constructive steps for promoting the development and expansion of a most necessary American self-contained chemical industry. As president of the American Chemical Foundation, he has unselfishly devoted, without profit, years of his life to the chemical education of our people and to the chemical stabilization of our American industrial life.

In passing, I want to endorse the comment of a short editorial recently contributed by that well-known American, Mr. Arthur Brisbane.

The "buy American" policy was expressed well long ago by Abraham Lincoln, according to J. P. Annin.

"To a question on tariffs, Abraham Lincoln is said to have replied that he knew very little about the tariff, but that he did know that when we bought steel rails abroad, they had the money and we had the rails, but when we bought steel rails in America, this country had the rails and the money also."

This editorial was at the head of Mr. Brisbane's column, indicating the true Americanism and confidence of the writer in the future of this country.

Mr. President, at this point I wish most heartily to endorse the patriotic appeal which is now being nationally made by the Hon. William Randolph Hearst through his chain of newspapers to the American people.

"Buy American" is the duty of every honest-minded American. If the American people will demand and insist that they be furnished the products of American labor and of American agriculture, we will soon have employment opportunities for millions of our unemployed.

However, Mr. President, our people, especially at this time, with greatly decreased purchasing power, out of necessity, because of the want of employment, seek to secure the greatest quantity for the least expenditure. For that reason it is necessary, if we want to assist our people to respond to the patriotic appeal now being made by Mr. Hearst and his papers, that we speedily enact legislation which will prevent the continued dumping of foreign products into our markets.

The Congress of the United States, after the war-time developments due to the shutting off of foreign chemicals and the license control act after the war, gave protection to the chemical industry.

Mr. President, while the American chemical industry is making possible our industrial and agricultural independence from foreign monopolies, the continuance of this independence lies entirely within the control of the Congress.

By way of illustrating the effect of one particular chemical element in everyday life, let us cite the developments in fixed nitrogen, or that form of nitrogen directly available for plant growth. In 1915 we were solely dependent for our supply of sodium nitrate on imports from Chile. Notwithstanding the many millions of dollars that our Government spent in that period, up to 1920, in the development of nitrates, we were still dependent to a large extent upon importations from Chile. Since that time astounding progress has been made in the establishment and greater growth of an American synthetic-nitrogen industry. As a result of this expansion, to a capacity of nearly 1,000,000 tons per annum, we are now in a position to supply the entire American requirements.

Already shipments of certain forms of fixed nitrogen are coming in from Japan, which has resulted in forcing the closing of one of our plants on the Pacific coast. Unless Congress speedily finds a way to prevent the continued dumping from this source, there is no hope of resuscitating the nitrogen industry on the Pacific coast.

The new iodine industry, a new chemical development, with plants at Los Angeles, Calif., and Shreveport, La., now producing one-fourth of all the iodine used in America, is also threatened by the dumping of foreign-produced iodine into our country.

Mr. President, we are the only nation in the world which permits foreign nations to dominate and control its domestic affairs. We are the only nation in the world which permits international bankers to exploit its people. We are the only creditor nation in the world which permits its debtors to attempt to dominate its domestic affairs and to openly flout the collection of debts honestly due it.

The Chancellor of the Exchequer of Great Britain, only a few days ago in a public statement, said they would appoint representatives of their Government to advise with officials of the United States on the question of war debts on condition that no other subject be discussed. And, Mr. President, Great Britain owes us not only billions of dollars in money but is under an obligation to us which it never can repay in money. I well recall the days of 1914 and 1915, when Great Britain was appealing to her cousins across the Atlantic, first for credit, then for munitions, then for money, then for the manhood of America to save her from the devastating effects of control by the Hun. Our reward is to be told by this representative of Great Britain that unless we submit to the conditions laid down by the debtor our markets will be flooded by the products of Great Britain, made possible by the further depreciation of currencies of that country. Bear in mind if you will, Mr. President, that Great Britain was the country which, through the voluntary depreciation of her currency, made it possible or necessary for other countries to abandon the gold standard. Through the depre-

ciation of her currency Great Britain has lowered the production costs and prices of her exports 30 to 40 per cent.

Mr. President, a year and a half ago our international bankers tried to lead the American people to believe that foreign nations were forced off the gold standard due to the foreign debts owed to America and American citizens. In other words, at that time they attempted to intimidate, yes, to force an American Congress to transfer to the backs of the American people the war costs of the European nations.

Now, Mr. President, from the mouths of the representatives of the English Government, from the public utterances of their leading bankers, we learn the truth as to why England and other foreign nations went off the gold standard. They went off the gold standard for the sole purpose of forcing an American Congress to take action detrimental to the welfare of the American people, and they told us as late as last week that if we have not had enough, they will further add to the destruction of American industries by the further depreciation of their currency.

Mr. President, the English Government and other foreign nations openly admit that their reason for going off the gold standard and debasing their currency was in order to ship the products of foreign labor into the American market at costs which are below the costs of American production, thus destroying our industries.

Depreciated currency, in other words, Mr. President, is a tool or a weapon to force the cancellation of debts owed to America and to transfer these debts to the backs of the already overburdened American taxpayer.

Last Saturday I received a letter from one of the outstanding leaders of American life. I refer to Mr. Matthew Woll, of the American Federation of Labor. At this point, Mr. President, I would like to have the clerk read this letter from Mr. Woll.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will read, as requested.

Mr. FESS. Mr. President, before the letter is read will the Senator yield to me?

Mr. HATFIELD. Certainly.

Mr. FESS. The depreciation in the currency of Great Britain cheapens labor in that country to the degree that it has depreciated. Therefore the labor cost in anything that Great Britain makes is reduced to that degree, that much lower than we could produce it for even if they would pay the tariff, and therefore that would increase to a great extent their imports to us. Our friends are insisting that as they increase imports they are decreasing our exports, and therefore they want us to take the tariff off in order that we can increase our exports. I would like to know how that would in any degree increase our exports, as the imports from those countries on a depreciated currency are bound to increase?

Mr. HATFIELD. The purchasing power of the American people respecting imports has always been found to be higher when we have a high-tariff rate that protects our industries against importations.

Mr. FESS. That is absolutely correct.

The VICE PRESIDENT. The clerk will read, as requested. The legislative clerk read as follows:

AMERICA'S WAGE EARNERS' PROTECTIVE CONFERENCE,  
New York City, January 27, 1933.

HON. HENRY D. HATFIELD,  
United States Senate, Washington, D. C.

MY DEAR SENATOR HATFIELD: Last spring you delivered an interesting and inspiring address on the floor of the Senate, pointing

out very strikingly the serious effects which imports from countries, the currencies of which had depreciated, were having on employment opportunities of American labor.

The conditions which you so well described at that time are to-day very, very much worse, and, it is my hope that you will take it upon yourself to direct the attention of the Congress of the United States to the fact that unless, and until, this condition is corrected, which can be corrected only by national legislation, millions of American workers will continue to be dependent upon either public or private charity.

It should be self-evident that American industries can not reopen and give employment to American workers with foreign producers of competing articles having secured, through the depreciation of their currencies, an automatic reduction in production costs ranging from 15 to 60 per cent.

A year ago, and again yesterday, Government experts referred to this situation as a temporary one. Life itself is temporary, yet we must eat to live, and we must either work or be dependent upon charity, public or private, if there is no work. America's unemployed workers, and there are millions of them, who have been looking in vain for employment opportunities, have paid the penalty in privation of themselves and their families and are being reduced in too many cases to pauperism to regard these conditions as temporary.

The depreciation of foreign currencies has not been followed, as predicted by some economists, by increased wages of foreign workers.

The Department of Commerce, in a circular letter of January 16, 1933, states, "Wages (in Japan) have fallen to a lower level than prevailed in 1931 when the value of the yen was close to par," and Japanese currency has depreciated some 60 per cent.

This is not a political question or a partisan one. We believe that the Congress of the United States is fully cognizant of the national emergency which now exists, and we sincerely trust that our national legislative body will rise above political considerations at this time and provide, as they alone can provide, through proper legislation, employment opportunities for millions of America's workers.

We believe that in the emergency which existed a year ago, and which exists to an alarming extent at this time, there is need for a wide expansion of public works, and this program, if properly carried out, would provide employment for some of our 12,000,000 now unemployed.

In view of the economy wave that now seems rampant throughout our country, there may be considerable opposition to such a program. However, we do not believe there should be any honest opposition to a correction which can alone be made by Congress for the benefit of all Americans.

For your information I am inclosing herewith a clipping from the New York Times showing the landed cost of foreign-made articles in the United States, and the comparative domestic cost of production of similar articles. The facts portrayed in these tables illustrate why millions of America's industrial workers are unable to obtain employment.

In behalf of America's millions of unemployed industrial workers, we look forward to some constructive action on the part of the Congress, and we sincerely hope that you will again aid by directing the attention of the Congress to the devastating effects on employment opportunities to America's workers made possible by the dumping of foreign-made products into our country, at prices which are less than American costs of production.

Hoping you will join in an effort to correct the evils which we have pointed out, and with cordial regards, I am,

Sincerely yours,

MATTHEW WOLL.

Mr. HATFIELD. I send to the desk the clipping from the New York Times, referred to by Mr. Woll, and ask for its insertion in the RECORD at this point.

The VICE PRESIDENT. Without objection, the article will be printed in the RECORD.

The article is as follows:

[From the New York Times, October 15, 1932]

COST OF FOREIGN MANUFACTURES COMPARED WITH OUTLAY TO MAKE THE SAME GOODS HERE

WASHINGTON, October 14.—The following list contains some of the imported articles exhibited to-day by the Commissioner of Customs with the cost of production abroad compared with that in the United States:

	Landed cost in United States currency	Domestic cost of similar article
Black enamel Wellington boots (Japan)	\$0.338 per pair	\$0.9469 per pair.
Child's all-over rubber boots (Czechoslovakia)	\$0.806 per pair	\$1.2081 per pair.
All-over rubber boots, men's (Czechoslovakia)	\$1.161 per pair	\$1.4899 per pair.
All-over rubber boots, boys' (Czechoslovakia)	\$0.448 per pair	\$0.9290 per pair.
Child's Wellington rubber boots (Czechoslovakia)	\$0.356 per pair	\$0.9469 per pair.
Men's storm rubbers (Czechoslovakia)	\$0.21 per pair	\$0.356 per pair.
Women's rubber shoes (Czechoslovakia)	\$0.3254 per pair	\$0.3591 per pair.
Rubber-soled high-top canvas shoes (Czechoslovakia)	\$0.2070 per pair	\$0.2905 per pair.
Swimming ring (Japan)	\$0.19 each	\$0.45 each.



	Landed cost in United States currency	Domestic cost of similar article
Swimming float (Japan).....	\$0.17 each.....	\$2.46 each.
Rubber animal (Japan).....	\$1.75 per dozen.....	\$3.96 per dozen.
Beach ball (Japan).....	\$0.12 each.....	\$1.47 each.
Do.....	\$0.10 each.....	..... each.
Rubber football (Japan).....	\$0.07 each.....	\$0.15 each.
Beach ball, 13 inches (Japan).....	\$0.08 each.....	\$0.27 each.
Rubber animal (Japan).....	\$3.64 per gross.....	\$14.12 per gross.
Rubber toy (Japan).....	\$0.84 per dozen.....	\$2.28 per dozen.
Rubber dolls (Japan).....	\$4.26 per gross.....	\$7.84 per gross.
Rubber sword (Japan).....	\$1.25 per hundred.....	\$1.60 per hundred.
Water pistols (Japan).....	\$1.09 per gross.....	\$6.37 per gross.
Black rubber nose blower (Japan).....	\$0.24 per gross.....	\$1.50 per gross.
Rubber erasers:		
Square (Japan).....	\$0.29 per gross.....	\$0.72 per gross.
Oblong (Japan).....	..... do.....	\$0.60 per gross.
Movable celluloid toys—baby's musical ball (Japan).....	\$20.14 per gross.....	\$33.00 per gross.
5-inch celluloid doll (Japan).....	\$3.43 per gross.....	\$15.81 per gross.
6-inch celluloid doll (Japan).....	\$3.24 per gross.....	\$16.08 per gross.
9-inch cerise celluloid combs (Japan).....	\$11.06 per gross.....	\$25.86 per gross.
7-inch celluloid combs (Japan).....	\$4.44 per gross.....	\$17.53 per gross.
4 half-inch celluloid combs (Japan).....	\$4.82 per gross.....	\$14.55 per gross.
Cotton hit-and-miss rag rug, 24 by 36 inches (Japan).....	\$0.06 each.....	\$0.29 each.
Cotton hit-and-miss rag rug, 2 by 3 feet (Japan).....	\$0.09 each.....	\$0.28 each.
Grass rug, 9 by 12 feet (Japan).....	\$0.92 each.....	\$8.88 each.
Quart size thermos jugs (Japan).....	\$0.56 each.....	\$0.79 each.
Pint size thermos jugs (Japan).....	\$0.32 each.....	\$0.49 each.
Toothbrush (Doctor West style) (Japan).....	\$9.67 per gross.....	\$15 per gross.
Toothbrush handle, celluloid (Japan).....	\$3.24 per gross.....	\$4.51 per gross.
Toothbrush (Woolworth's "Dental King") (Japan).....	\$6.37 per gross.....	\$8.75 per gross.
House lamps (60-watt) (Japan).....	\$3.12 per hundred.....	\$3.72 per hundred.
Christmas-tree lamps (Japan).....	\$0.73 per hundred.....	\$2.35 per hundred.
Safety matches (Japan).....	\$0.27 per gross.....	\$0.51 per gross.
Hairbrushes, natural ebony-white bristles (Japan).....	\$3.64 per dozen.....	\$7.20 per dozen.
Tennis racquets (Japan).....	\$0.31 each.....	\$0.90 each.
6-foot folding rule (Czechoslovakia).....	\$0.79 per dozen.....	\$2.05 per dozen.
Men's leather gloves (England).....	\$24.89 per dozen pair.....	\$26 per dozen pair.
Knives and forks (England).....	\$4.81 per set of 6.....	\$7.42 per set of 6.
Lunch plates (Japan).....	\$1.38 per dozen.....	\$3 per dozen.
Hotel teapot (Japan).....	\$0.86 per dozen.....	\$3.44 per dozen.
Maple walking stick (Japan).....	\$1.23 per dozen.....	\$3 per dozen.
Pongee-silk coolie coat (Japan).....	\$0.08 each.....	\$102 each.
Men's cotton handkerchiefs 17 by 17 inches (Japan).....	\$0.28 per dozen.....	\$0.36 per dozen.
Men's cotton handkerchiefs 15 by 15 inches (Japan).....	\$0.18 per dozen.....	\$0.25 per dozen.
Solid imitation-pearl beads, loosely strung (Japan).....	\$0.04 each.....	\$0.41 each.
34-line self-shank pearl button (Japan).....	\$16.14 per gross.....	\$24.84 per gross.
Six-inch diagonal cutting pliers (Germany).....	\$0.153 each.....	\$0.61 each.
Pocketknife (Germany).....	\$0.707 per dozen.....	\$2.63 per dozen.
Fancy-shaped wrist-watch glasses (Japan).....	\$1.43 per gross.....	\$5.40 per gross.
Wrist-watch glass blanks, flat (Japan).....	\$0.41 per gross.....	\$1.25 per gross.

Mr. FESS. Mr. President—

The VICE PRESIDENT. Does the Senator from West Virginia yield to the Senator from Ohio?

Mr. HATFIELD. I yield.

Mr. FESS. There is one expression in the letter of Mr. Wolf that ought not to escape the attention of everyone and that is that with the depreciation of currency in Japan, as is true in other countries, wages have not increased. That is always the claim on the part of those who are asking for a depreciated currency, that it will increase the price of the article and they assume it will increase the price of labor. That is never true. As the price of the article increases the price of labor may not go down, but it does not increase with the price of the article. To my mind that is the most commanding point to-day in the clamor for depreciation of currency in our own country.

Mr. HATFIELD. That is very true, and I thank the Senator from Ohio for his observation.

Mr. President, I have not dealt at length, as I might have, with one important phase of this question and that is the loss of revenue brought about through the debasing of foreign currencies. In these days of deficits I presume it is our serious duty to plug up every leak. If that be true, I feel confident that in correcting the present unfair and uncalled-for situation we will add to the revenues of our Government more than \$300,000,000 without adding one cent to the living costs of the American people.

I am sending to the desk and will ask to have inserted in the RECORD a table showing the depreciation of foreign currencies of some 20 foreign countries and the estimated increase in revenue had we collected a tax equal to the depreciation of currencies on imports from these countries for the year ending October 31, 1932.

The PRESIDING OFFICER (Mr. Fess in the chair). Without objection, that order will be made.

The table is as follows:

Possible new revenue from depreciated currency imports—year November, 1931, to October, 1932

Country	Per cent depreciation	Amount of annual imports from	Maximum possible new revenue
Denmark.....	28.2	\$1,345,000	\$527,000
Finland.....	35.7	8,763,000	4,863,000
Greece.....	26.2	9,670,000	3,423,000
Norway.....	31.2	11,609,000	5,259,000
Portugal.....	26.2	2,984,000	1,062,000
Sweden.....	29.8	25,197,000	10,709,000
United Kingdom.....	27.1	31,049,000	30,069,000
Canada.....	12.1	190,583,000	26,300,000
Mexico.....	33.7	38,768,000	19,655,000
Argentina.....	39.4	17,082,000	11,103,000
Brazil.....	42.5	86,886,000	64,122,000
Chile.....	26.6	16,769,000	6,087,000
Ecuador.....	8.1	2,699,000	238,000
Peru.....	11.1	3,751,000	469,000
Uruguay.....	54.9	2,381,000	2,900,000
Venezuela.....	21.9	21,330,000	5,994,000
British India.....	27.0	34,894,000	12,911,000
British Malaya.....	28.0	39,846,000	15,500,000
Japan.....	35.0	149,170,000	80,253,000
Australia.....	41.8	5,630,000	4,059,000
Total or average.....	29.2	750,406,000	305,503,000

Mr. HATFIELD. While the table shows an average of only 35 per cent in Japanese currency for the period referred to during recent months, at the present time Japanese currency has depreciated some 60 per cent.

The dumping of goods from nations manufacturing them under depreciated currency, into the United States, is responsible for depriving many millions of American workers of employment. The quotation of prices by the importer serves to fix the price on many articles manufactured in America at a price so much lower than the cost of production in our home industry that it deters the manufacturer from production, notwithstanding that his shelves are

empty, for the reason that he knows he is unable to compete with the products of the nations operating under a depreciated currency basis.

I favor, Mr. President, conserving our home markets for home labor. I have the same conviction as was so ably expressed by that great American, Andrew Jackson, when a member of this body, in addressing the Senate upon a protective-tariff measure then before that body. He said:

It is time, sir, we should become a little more Americanized, and instead of feeding the paupers of England feed our own people, or else in a short time we will be paupers ourselves.

Mr. President, we have reached the time depicted by that distinguished American in 1828.

Give the industries of this country the assurance of the home market by protecting these products against the products of those nations now off the gold standard, and the American Congress will accomplish two things, in my judgment. First, it will return millions of men to work; second, it will do more to force Europe and Asia back to a sound monetary basis than any international conference can accomplish.

This action will help home industries. They will provide an adequate surplus by restoring their depleted warehouses and by so doing will put thousands of men to work who are now walking the streets and highways seeking the opportunity for earning a living that is denied them. Their unemployment has terminated their purchasing power.

The farmer is the manufacturers' best friend in the way of a consumer; but the farmer can not purchase unless he has a market for his products; and it has long since been demonstrated that the purchasing power of the forty-some million workmen under the American flag represents 80 per cent of his market.

When the American workers receive a standard of wage which is worthy of their hire—and the only way that this can be accomplished and continued is to properly safeguard their employers from the cheap products of other nations—it will assure to the farmer the greatest market in the world.

The axiom in 1929 that appeared editorially in Labor, the official organ of the railway brotherhoods of this country, stands out to-day as true, and should be read by every national legislator. This editorial in part appeared on Washington's birthday in 1930:

If 90 per cent of our production is consumed at home and only 10 per cent goes abroad, then it is surely nine times as important to stimulate the home market as to stimulate the foreign market.

Mr. President, I send to the desk some telegrams and ask that they be printed at this point. The senders represent industries in every section of the United States, and the telegrams prove conclusively that there is a unanimity of conviction among representatives of labor and industry that prompt action by the Congress of the United States on the subject of depreciated currency will do more to stabilize business and conserve our home markets for our home labor than the performance of any other duty that rests upon this Congress.

The men who sent these telegrams represent industries and the producers of raw material. These latter industries are prostrate to-day for the want of orders.

Mr. President, I ask that the telegrams may be printed as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The telegrams are as follows:

HON. HENRY D. HATFIELD,

*United States Senate, Washington, D. C.:*

In our opinion the greatest obstacle to recovery in our country is that industry after industry is finding itself unable to compete for domestic business due to imports from countries off the gold standard. It is possible for these foreign countries to quote prices which will cover their costs, give them a profit, and still place goods in this market at prices below domestic manufacturer's cost. We can not urge too strongly necessity for emergency legislation to equalize currency values.

HAMMERMILL PAPER CO.

ERIE, PA., January 30, 1933.

BANGOR, ME., January 30, 1933.

Senator HENRY D. HATFIELD,

*Washington, D. C.:*

Our vast timberland holdings have shrunk in value to a point where they are to-day more a liability than an asset, and our lumber operations are practically wiped out because of lack demand for pulpwood account situation in pulp and paper industry due importations from countries of depreciated currency and depressing of prices below cost production this country. Real emergency exists. Prompt enactment legislation to equalize currencies and maintain our gold basis necessary to save our situation to restore some measure our values and enable us give employment.

MAINE LUMBERMEN & LAND OWNERS ASSOCIATION.

NEW YORK, N. Y., January 30, 1933.

Hon. H. D. HATFIELD,

*United States Senate:*

Importations of paper and pulp from countries off the gold standard are becoming a greater menace to our industry and are working hardships not only on manufacturers of pulp and paper but also producers of raw material for them. The great bulk of the pulpwood used in pulp mills is produced by small farmers and is largely their money crop. Relief is urgently needed.

WEST VIRGINIA PULP & PAPER CO.,  
THOMAS LUKE, Vice President.

WORCESTER, MASS., January 30, 1933.

Senator HENRY D. HATFIELD,

*Senate Office Building:*

Our company is vitally interested in the prosperity of the paper industry of this country. We feel that any legislation that can be passed by our Congress which would offset the advantage that now accrues to foreign paper manufacturers due to depreciated currency would be most beneficial to the paper industry in this country and would be the means of very promptly putting back to work a lot of men now unemployed. We urge upon you most careful consideration to constructive legislation of this kind.

RICE, BARTON & FALES (INC.),  
GEORGE SUMNER BARTON,  
President.

NEW YORK, N. Y., January 30, 1933.

Hon. H. D. HATFIELD,

*United States Senate:*

At request of Mr. Luke, president West Virginia Pulp & Paper Co., I am wiring you to urge your support of necessary legislation to deal with importations from countries that have abandoned the gold standard. In 1929 pulp and paper industry employed in mills alone 128,000 employees and in mills and wood operations in excess of 300,000 employees. At present rate of operations, based on hours of employment, these figures can be cut in half. Competition from depreciated-currency countries has not only increased unemployment in pulp and paper industry but has forced industry to reduce hourly wages to its employees. In addition, curtailment in operations of pulp and paper mills has created unemployment in other industries, which brings the total unemployed to about 250,000 workers.

EUSTIS PAINE,  
Chairman Paper Committee on Depreciated Currency.

ASHEVILLE, N. C., January 30, 1933.

Hon. HENRY D. HATFIELD,

*United States Senate, Washington, D. C.:*

Disastrous effects of depreciated foreign currencies on domestic markets for American products are being felt locally. The large pulp and paper industry, upon which our community depends and whose continued operations are of vital importance to all western Carolina, has been forced to make several reductions in wages and in wood prices and is now curtailing operations. Situation impresses us seriously, and we hope that some relief can be obtained by levying surtax on imports or by other means.

CANTON MERCHANTS ASSOCIATION.

NEW YORK, N. Y., January 30, 1933.

Hon. H. D. HATFIELD,

*United States Senate:*

Impossible to forecast actual reemployment if protection against depreciated-currency countries' imports is voted by Congress. Full reemployment would naturally have to await return of business to normal conditions, but there would be an immediate reemployment to the extent that imports of pulp were curtailed. Cutting of wood by farmers and woodcutters would start in the early spring. The production of paper would unquestionably be greatly stimulated by the improvement in general business and reemployment due to this legislation. If proper legislation is not passed, the unemployment in our industry will continue to increase and wages will be further reduced.

EUSTIS PAINE,  
Chairman Paper Committee on Depreciated Currency.



MOSINEE, WIS., January 30, 1933.

Hon. HENRY D. HATFIELD,

*United States Senate Office Building, Washington, D. C.:*

Situation relative depreciated foreign currencies continues to grow increasingly serious. Firmly believe immediate need of emergency legislation to curb the continuous importing of pulp and paper, which is injuring the domestic mills. Trust some way may be found to get immediate action rather than wait for special session.

MARATHON PAPER MILLS Co.

APPLETON, WIS., January 30, 1933.

Hon. HENRY D. HATFIELD,

*United States Senate:*

We strongly urge that every possible effort be made by the present Congress to pass necessary acts correcting the disastrous effects upon our manufacturers caused by the depreciated currency situation. If many of our industries are to be saved and unemployment relieved prompt action is necessary.

RIVERSIDE PAPER CORPORATION.

BOSTON, MASS., January 30, 1933.

Hon. HENRY D. HATFIELD,

*United States Senate:*

Reductions in price of pulp led by Scandinavian manufacturers and due to advantages given them by depreciated currency will result in closing Champion International Co. pulp mill, Lawrence, Mass., shortly. Expect to purchase pulp supply abroad for manufacture book paper.

CHARLES T. DOLE, President.

WORCESTER, MASS., January 30, 1933.

Hon. HENRY D. HATFIELD,

*Senate Office Building, Washington, D. C.:*

The depreciation in foreign currencies has had a serious effect on many of the manufacturing industries. Such remedial legislation as Congress may enact will be of particular value to thousands of our working people.

F. B. WASHBURN, President.

MACON, GA., January 30, 1933.

Senator HENRY D. HATFIELD,

*Senate Office Building, Washington, D. C.:*

Industrial committee of Macon Chamber of Commerce urges serious consideration of bill now before Senate affecting clays, paper, and other industries in this section suffering by reason of decrease in value of currency abroad.

JOHN L. MORRIS,  
Manager Macon Chamber of Commerce.

EVERETT, WASH., January 31, 1933.

Hon. HENRY D. HATFIELD,

*United States Senate, Washington, D. C.:*

We urge immediate action on emergency legislation dealing with depreciated currency of foreign countries. Situation extremely serious in our State, and hope you will support this legislation.

EVERETT PULP &amp; PAPER Co.

ROCKLAND, ME., January 31, 1933.

United States Senator HENRY D. HATFIELD:

We urge immediate action for the enactment of the tariff equalization bill, which will give much-needed protection for New England industries in competition with goods manufactured in countries now off of the gold standard and with depreciated currency.

ROCKLAND & ROCKPORT LIME CORPORATION,  
G. B. WOOD, President.

PORT CHESTER, N. Y., January 30, 1933.

Hon. HENRY D. HATFIELD,

*The Senate, Washington, D. C.:*

Enactment of legislation compensating for depreciated currencies of foreign countries is vital to us and to the pulp and paper industry, for which we manufacture Fourdrinier and cylinder wires. The present dumping of foreign wires is gobbling up the cream of our markets. If discontinued, we could increase employment to our workers 50 per cent. We urge favorable and speedy action.

JOSEPH O'NEILL WIRE WORKS.

BELLEVILLE, N. J., January 31, 1933.

Senator HENRY D. HATFIELD:

Depreciated currency ruinous to our industry; basic paper trade suffering also. Legislation to rectify this condition necessary to prevent ruin. Urgent action on part of Congress necessary.

EASTWOOD CORPORATION.

BANGOR, ME., January 31, 1933.

Senator HENRY D. HATFIELD:

*Senate Chamber:*

We most strenuously approve the imposition of currency equalization fee on all imports from countries having depreciated cur-

rency. The item of pulp and other wood products and fish concern us and our customers vitally.

RICE & MILLER Co.,  
Wholesale Hardware.

BANGOR, ME., January 31, 1933.

Senator HENRY D. HATFIELD:

Believe State of Maine industries must have protection from imports from countries with debased currencies.

THE BANGOR PUBLISHING Co.,  
By FRED D. JORDAN.

RHINELANDER, WIS., January 31, 1933.

Hon. H. D. HATFIELD,

*Senate Chamber:*

All interested in maintenance of American industry, all believing in principle of America for Americans, endorse your championship of measures to offset devastating effect of depreciated foreign currency. Yours is a great constructive nonpartisan act. Heartiest congratulations.

RHINELANDER PAPER Co.,  
By FOLKE BECKER.

AUGUSTA, ME., January 31, 1933.

Senator HENRY D. HATFIELD,

*Senate Office Building:*

Agricultural, sardine, and pulpwood interests this State suffering severely from currency advantage now enjoyed by foreign competitors. Appreciate your support of legislation correcting this unfair situation.

F. P. WASHBURN,  
Commissioner of Agriculture, Maine.

DEXTER, N. Y., January 31, 1933.

Senator HATFIELD,

*Senate Office Building:*

The appreciated second currency has resulted in closing down 60 per cent of our sulphite production. We are staggering our pay roll to assist our village in Dexter to get through this winter as best they may. The situation in our village, especially the children, is distressing. Unless the foreign currency is taken care of this company will be forced to add over 400 men to the army of unemployed. It is difficult for our workers to understand why, with 12,000,000 citizens idle, nearly two hundred millions worth of pulp and paper should come in from abroad and deprive him of a job. The entire paper and pulp industry of this country is threatened with complete annihilation unless American industry can be placed on an even cost basis with the foreign. This company asks no more.

DEXTER SULPHITE PULP &amp; PAPER Co.

MOSINEE, WIS., January 31, 1933.

Senator HENRY D. HATFIELD,

*United States Senate:*

Emergency legislation dealing with depreciated currency is of greatest importance to the paper industry. Foreign pulp shipments at prices below local costs have increased from 80,000 tons in 1931, to 172,000 tons in 1932, thus depriving local labor, farmers, and suppliers of possible work. We urge and hope for prompt passing of corrective legislation.

MOSINEE PAPER MILLS Co.,  
N. S. STONE.

BANGOR, ME., January 31, 1933.

Senator HENRY D. HATFIELD,

*Senate Building:*

As a fairly large producer of timber, a considerable producer of furs, a small producer of farm products, all in Maine, and of non-ferrous metals in Western States, I respectfully urge, through emergency legislation by imposition of currency equalization fee on all imports or otherwise, the protection of American raw products, labor, industry, and transportation from the present additionally serious competition from countries with debased currencies, pending the time when America realizes the necessity of embargoes.

HAVEN SAWYER.

BANGOR, ME., January 31, 1933.

Hon. HENRY D. HATFIELD,

*Senate Chamber:*

We strongly urge that legislation be passed this session imposing currency-equalization fee on all imports from countries off the gold standard. Such legislation is vital to industries essential to this State, such as pulp and paper, fisheries, many others. We believe a grave emergency exists and that immediate relief from present conditions is imperative.

EASTERN TRUST & BANKING Co.,  
H. A. LITTLEFIELD, President.

APPLETON, WIS., January 31, 1933.

Senator HENRY D. HATFIELD,

*United States Senate:*

Due to depreciated currencies, we can not manufacture paper and pulp and compete with foreign competition. Extremely im-

perative that we be protected with action taken at once. Your help to save this and all other United States industries is needed.  
PATTEN PAPER Co.

BANGOR, ME., January 31, 1933.

Senator HENRY D. HATFIELD,

*The Senate:*

We urge for salvation of Maine industries and labor currency equalization fee on all imports from countries not on gold basis.  
GEORGE E. CRAFTS,  
President Bangor Chamber of Commerce.

MILLWOOD, WASH., January 31, 1933.

Senator HENRY D. HATFIELD,

*Senate Office Building:*

Fifteen hundred people dependent on our plant for livelihood to say nothing of benefits to railroads and other contributing services including carload raw materials from Texas and occasionally Georgia employees now working half time or less and under staggered systems could be given full-time work if protected against importations from countries with depreciated currencies as provided in Hill bill.

INLAND EMPIRE PAPER Co.

ROBBINSVILLE, N. C., January 31, 1933.

Hon. HENRY D. HATFIELD,

*United States Senate:*

Pulpwood market of extreme importance to western North Carolina, being lost account demoralization American pulp market by imports from depreciated currency countries. Emergency legislation necessary to prevent aggravation of prevailing serious situation.

BEMIS LUMBER Co.

BOSTON, MASS., January 31, 1933.

Hon. HENRY HATFIELD,

*United States Senate:*

How can we employ the thousands of woodsmen now idle or continue to run our paper and pulp mills unless Congress stops unfair competition of pulp and paper from depreciated-currency nations?

PENOBSCOT CHEMICAL FIBRE Co.  
A. HOLLINGSWORTH, President.

PARK FALLS, WIS., January 31, 1933.

Senator HENRY D. HATFIELD,

*United States Senate:*

Believe it of utmost importance to pass emergency legislation regarding depreciated currencies.

FLAMBEAU PAPER Co.

BANGOR, ME., January 31, 1933.

Hon. HENRY D. HATFIELD,

*Senate Chamber:*

Pulp, paper, fisheries, and many other industries in Maine are in a deplorable condition. Immediate passage of the currency equalization bill will help.

JOHN CASSIDY & SON.

BANGOR, ME., January 31, 1933.

Hon. HENRY D. HATFIELD,

*United States Senate:*

I understand you are to speak in favor of the measure imposing currency equalization fee on all imports from countries that have gone off the gold basis. This proposal, from the standpoint of industries located on our line, is most vital, particularly to American paper-manufacturing companies and American fertilizer companies, and consequently to this railroad. The importations of Canadian pulpwood by water, and on which there is no duty, and the importation from Europe of wood pulp have damaged the timberland owners and the railroads in Maine. Until Canada went off the gold basis I have no knowledge of any fertilizer which is used enormously in northern Maine having been brought in from or through Canada last year, and this year large quantities are being brought in again to the detriment of the railroads in Maine, and with very serious loss to the American fertilizer companies. I am sure that the majority of the people in the State of Maine will stand strongly behind this proposal.

PERCY R. TODD,  
President Bangor & Aroostook Railroad Co.

BANGOR, ME., January 30, 1933.

Senator HENRY D. HATFIELD,

*Washington, D. C.:*

The immediate passage legislation on depreciated currency imports is most urgent to protect farms, forests, fisheries, industry, and labor of Maine, together with commercial enterprises dependent thereon for their livelihood. Unemployment is increasing rather than decreasing. The immediate cause of this is unmeetable competition from imports from countries off gold basis. There is no one factor that would improve conditions in Maine more than immediate passage of this emergency legislation. The crisis in our State is grave.

CLARENCE C. STETSON, Chairman.

HAMILTON, OHIO, January 30, 1933.

Senator HENRY D. HATFIELD,

*Senate Office Building, Washington, D. C.:*

As president of the Champion Coated Paper Company, largest single producers of coated and uncoated papers and soda and sulphite in the world, may I earnestly solicit you to do everything in your power to further the interest of House Bill 13999 which will meet the desperate emergency now confronting American industry and brought about by degradation of foreign currencies which has entirely subverted the purpose and intent of the United States tariff and made it possible for foreign countries which have gone off the gold standard to sell their goods in the United States at less than their cost and still make substantial profits, the American manufacturers being left to pay the ensuing charities and Government taxes. This amounts to a subsidy on foreign manufacture by the United States Government. This company has already been forced to shut down in part its pulp mills in North Carolina and purchase foreign pulp entirely against our will and better judgment. Foreign export capacity is sufficient to furnish all goods required in the United States if not quickly stopped by legislative action as no manufacturer or merchant can individually refrain from foreign purchase and meet his own domestic competition in this neighborhood. The matter amounts to a desperate emergency in increasing unemployment which must be met by Federal aid as local charities and aid are practically exhausted.

ALEXANDER THOMSON,

President the Champion Coated Paper Co.

HAMILTON, OHIO, January 30, 1933.

Senator HENRY D. HATFIELD,

*Senate Office Building, Washington, D. C.:*

As president of the Black Clawson Company, Hamilton, Ohio, largest producers of paper mill machinery in the world, I earnestly solicit you to lend your support to the passage of House bill 13999 to help meet the desperate emergency brought about by the degradation of foreign currencies which enables import competition to ruin our American industries. About 60 per cent of all imports come in duty free and even those items which had tariff protection are now free of duty because of the difference in money standards. This matter amounts to a desperate emergency in this locality and is equivalent to the United States Government's placing a subsidy on foreign manufacture for entry into the United States. This can not fail to increase our unemployment and in turn the expenses of the Federal Government because local charity and aid are exhausted.

HERMAN KUTTER,

President the Black Clawson Co.

GARDINER, ME., January 31, 1933.

Senator HENRY D. HATFIELD,

*United States Senate:*

Strongly urge emergency legislation imposing tax on all imports from foreign countries whose currency has been depreciated.

KENNEBEC BOX Co.

GARDINER, ME., January 31, 1933.

Hon. HENRY D. HATFIELD,

*Care Senate Building:*

Consider it most essential that bill be passed to adjust tariffs on basis of depreciated currencies. They are shipping in rubber and leather shoes in many instances at a less price than would have to be paid for the labor alone in this country.

R. P. HAZZARD.

NEW YORK, N. Y., January 30, 1933.

Hon. HENRY D. HATFIELD,

*United States Senator, Washington, D. C.:*

I know you are familiar with the problems of the American rubber-footwear industry, due to depreciated currencies, and possible dumping of foreign merchandise on the American market. If we are to keep the thousands of people who are dependent upon us employed we must get some immediate relief or be obliged to add numbers to the already too large list of unemployed in America. Anything you can do to be helpful will be appreciated by all concerned.

T. J. NEEDHAM,

General Manager Footwear, United States Rubber Co.

BROCKTON, MASS., January 31, 1933.

Senator HENRY HATFIELD:

As the manufacturer of Walkover shoes, our company believes that action should be taken by Congress to protect America's industry by emergency legislation, effecting an equalization on imports to offset depreciated foreign currency; this move is not political or sectional but will result in better business and less unemployment.

HAROLD C. KEITH,  
President Geo. E. Keith Co.

CAMBRIDGE, MASS., January 30, 1933.

Hon. HENRY D. HATFIELD,

*Senate Office Building:*

Our factory is completely closed for indefinite period due to influx of foreign canvas and rubber shoes from Japan and Czechoslovakia. Nearly 1,300 people have been laid off and are now un-



employed. Proper regulation of this attack on American employees would result in immediate reemployment of these and thousands of others in the industry.

CAMBRIDGE RUBBER CO.,  
WARREN MACPHERSON, President.

NEW YORK, N. Y., January 30, 1933.

Hon. H. D. HATFIELD,  
United States Senate:

Domestic rubber manufacturing industry has been suffering from ruinous competition of Czechoslovakian and Japanese manufactured footwear. This competition is approaching disastrous proportions this particular time, because domestic producers withholding orders for merchandise to be delivered coming summer unless our manufacturers meet competitive prices which are less than domestic cost of production. Just received information one buyer withholding order for 1,500,000 pairs shoes, which if not given domestic manufacturer will result in shut down factories from four to two days per week. Most essential for welfare of industry and labor employed that Congress immediately enact remedial legislation this session without too much concern respecting slight inequalities that may result. We urge immediate action by Congress.

R. H. GOEBEL,  
Secretary, The Rubber Manufacturers Association (Inc.).

NEW YORK, N. Y., January 30, 1933.

Hon. H. D. HATFIELD,  
United States Senate:

Approximately 15,000 men employed rubber footwear industry. If Congress does not act this number employees will lose approximately 50 per cent of their present working time. Some factories four days week now will reduce to two days if not entirely closed.

R. H. GOEBEL,  
Secretary, The Rubber Manufacturers Association (Inc.).

MALDEN, MASS., January 31, 1933.

Senator HENRY HATFIELD,  
United States Senate:

Urge immediate action to stop importations Japanese canvas footwear; 700 people have been thrown out of work in our plant alone since January 1. We will have to close altogether if it is not stopped. Japanese shoes are sold at a third of our cost; we can not compete with foreign labor at 20 cents a day.

CONVERSE RUBBER CO.

BOSTON, MASS., January 31, 1933.

Senator HENRY HATFIELD,  
United States Senate:

With Japanese currency depreciated 48 per cent, how can American rubber footwear mills keep running? How can any American mills keep running which are affected by foreign debased currency?

E. H. CLAPP RUBBER PRODUCTS CO.  
WATERTOWN, MASS., January 30, 1933.

Hon. HENRY D. HATFIELD,  
Senate Office Building:

Approximately 4,000,000 pairs of rubber footwear were imported in 1932 at ruinous prices as against half a million pairs in 1931, and practically none in 1930. These 4,000,000 pairs represent approximately 2,400,000 hours of work lost to American workers in 1932; this was the labor loss to workers in our industry alone and fully an equal amount was lost in allied industries supplying us with materials and service. Unless Congress acts favorably, we estimate these figures will be increased at least three times in 1933. I estimate less than 15,000 people remain employed in our total group in United States, at least 10,000 of whom are in grave danger of losing their employment this year unless favorable action is taken.

HOOD RUBBER CO.,  
ARTHUR B. NEWHALL.

EAST LIVERPOOL, OHIO, January 30, 1933.

Hon. H. D. HATFIELD,  
Senate Office Building, Washington, D. C.:

Will you not please give your indorsement on Senate floor and urge legislation that will save this and other industries and their workers from the destructive competition from countries whose currency has depreciated? Senators from Missouri, Kentucky, Tennessee, North Carolina, Georgia, and Florida should be interested on account of large quantities of clays shipped from these States to the potteries.

THE UNITED STATES POTTERS ASSOCIATION,  
CHAS. F. GOODWIN, Secretary-Treasurer.

NEWELL, W. VA., January 30, 1933.

Senator H. D. HATFIELD,  
Senate Office Building, Washington, D. C.:

Impossible to exaggerate importance of proper depreciated-currency legislation to the pottery industry. Domestic production continues to steadily diminish in the face of increased importation from Japan and England. Of 17,000 workers in table-

ware plants, 6,000 entirely idle and balance working less than half time. Many more thousands in allied industries similarly affected.

J. M. WELLS.

MACON, GA., January 30, 1933.

Hon. HENRY D. HATFIELD,  
Senate Office Building, Washington, D. C.:

We recommend immediate action on emergency legislation dealing with depreciated foreign currencies. This legislation is vitally necessary to our existence and ability to employ laborers or pay them a living wage.

GEORGIA KAOLIN CO.

NORWICH, CONN., January 30, 1933.

Senator H. D. HATFIELD,  
Senate Office Building, Washington, D. C.:

Urge all possible emphasis on release through depreciated currency legislation. Japanese products being landed west coast as cheap as raw glass blanks can be manufactured our Huntington (W. Va.) factory. These glass blanks represent first steps only in manufacturing of completed vacuum bottles.

AMERICAN THERMOS BOTTLE CO.,  
A. E. PAYSON, President,  
Huntington, W. Va., and Norwich, Conn.

EAST LIVERPOOL, OHIO, January 30, 1933.

Hon. H. D. HATFIELD,  
Senate Office Building:

Foreign currency depreciation has been detrimental to the working people of America. Legislation correcting this evil will be greatly appreciated by our American pottery workers, because we firmly believe that it will enable our employers to get more business, which will result in work opportunity for the people whom I represent. We pray this help immediately.

JAMES M. DUFFY,  
President National Brotherhood of Operative Potters.

MORGANTOWN, W. VA., January 30, 1933.

Hon. H. D. HATFIELD,  
Senate Office Building:

The glassware industry is with you 100 per cent in demanding protection against competing products imported from low-wage and depreciated-currency countries. The point has been reached where the help of the Government in every reasonable and helpful way is needed before the disintegration of our industrial structures gets out of hand.

GEORGE DOUGHERTY,  
President American Glassware Manufacturers.

MOUNDSVILLE, W. VA., January 31, 1933.

H. D. HATFIELD,  
United States Senate:

The present tariff on handmade glassware under normal conditions does not protect the American glassworkers. By all means something should be done to further protect the industry under present conditions. Approximately 20,000 skilled workers and their families are involved. Many of them unemployed or earning only a pittance.

C. B. ROE,  
FOSTORIA GLASS CO.

BOSTON, MASS., January 30, 1933.

Hon. H. D. HATFIELD,  
Senate Office Building:

Out of 25 merchant blast furnaces competing in 11 Eastern States, 24 furnaces are idle, ordinarily requiring 3,000 men. Correction for the results of depreciated foreign currencies, as applies to imports, is absolutely vital to the existence of our industry.

MYSTIC IRON WORKS,  
T. W. KENNEDY, President.

BOSTON, MASS., January 31, 1933.

Hon. H. D. HATFIELD,  
Senate Office Building:

Each ton of pig iron imported displaces labor necessary to produce 2 tons of iron ore, 1.4 tons of coal, one-half ton of limestone, involving the ore miners, coal miners, coke-oven labor, quarry men, furnace men, and railroad men.

MYSTIC IRON WORKS,  
T. W. KENNEDY, President.

SAN FRANCISCO, CALIF., January 30, 1933.

Senator H. D. HATFIELD,  
United States Senate Chamber, Washington, D. C.:

A real emergency exists on Pacific coast in canned sardine, salmon, and tuna divisions owing to insurmountable competition from countries of depreciated currencies. Unless Congress gives us proper protection the entire industry can not survive. The Hill bill 13999 seems to offer satisfactory protection. May we not urge your complete and active interest in support of this bill?

F. E. BOOTH CO. (INC.).

SAN FRANCISCO, CALIF., January 30, 1933.

Hon. H. D. HATFIELD,

*United States Senate, Washington, D. C.:*

Real emergency exists on Pacific coast in the fishing industry owing to active competition from countries on depreciated currency. Unless Congress gives prompt protection the entire industry will be badly crippled. Hill bill 13999 seems to offer satisfactory protection, and we respectfully urge your complete and active interest in support of that bill.

ALASKA PACKERS' ASSOCIATION.

EASTPORT, ME., January 31, 1933.

Senator HENRY D. HATFIELD,

*Senate Office Building:*

Unless the sardine packers in Maine get some relief from importations of foreign sardines which are coming into this country at prices much below our cost of production on account of their depreciated currencies the sardine industry, affecting 25,000 people, will be wiped out. Favorable legislation against this unfair competition from Norway and other countries that have abandoned the gold standard would save this critical situation.

E. A. HOLMES PACKING CO.

LUBEC, ME., January 31, 1933.

Senator HENRY D. HATFIELD,

*Senate Building, Washington, D. C.:*

Depreciated currency has almost ruined the sardine business in Maine. There are 36 factories located in 18 towns and cities along the coast employing over 8,500 people direct, and 25,000 people depend on this business for a livelihood. In 1932, owing to the depreciated currency, only 8 firms out of the 23 firms operated, and the pack was only 30 per cent of normal, and only 2,650 people were employed, and only for a short time and at a very low wage, and unless we can have some relief this year it looks as if there would be very little business, if any, done and the sardine business will be a thing of the past.

ATLANTIC SARDINE ASSOCIATION.

SEATTLE, WASH., January 30, 1933.

Hon. HENRY D. HATFIELD,

*Senate Office Building, Washington, D. C.:*

This association, representing practically all American salmon-canning industry, seriously affected by importation canned salmon from depreciated-currency countries, particularly recent importations from Japan, where the yen has depreciated about 60 per cent. Employment in our industry has fallen from about 40,000 to not more than 20,000, and unless this situation is rectified employment will be less than 20,000 during coming packing season. We have favored H. R. 13999, and trust you will use every effort to secure passage this bill or similar one in order relieve our employment situation and remove the threat of disaster to finances of Territory of Alaska, which secure 75 per cent of its revenue from our industry, and to improve business conditions generally on Pacific coast, as many other industries are dependent to large extent upon ours. We are speaking only for our own industry, but you realize, of course, this is not a local issue but one that vitally affects employment in industries all over the country as well as ours.

ASSOCIATION OF PACIFIC FISHERIES.

LUBEC, ME., January 31, 1933.

Senator HENRY D. HATFIELD,

*Senate Office Building:*

Due to the heavy importation of sardines from Norway and other countries off the gold standard, the Maine sardine business is going through a most critical period in its history. If Congress does not take immediate action against goods coming in from depreciated-currency countries the Maine sardine business will be forced out of existence. We urge you to do everything possible toward obtaining the passage of some one of the depreciated-currency bills which are now before Congress.

R. J. PEACOCK CANNING CO.

EASTPORT, ME., January 30, 1933.

United States Senator HENRY D. HATFIELD,

*Washington D. C.:*

Conditions in our city are deplorable due to low tariff of sardines and depreciated currency. Norway packers are delivering sardines in this country at a cost lower than we can produce same for. We would ask you to use every effort to secure depreciated-currency legislation.

MACNICHOL PACKING CO.

EASTPORT, ME., January 30, 1933.

United States Senator HENRY D. HATFIELD,

*Washington, D. C.:*

Due largely to importation of foreign sardines only one factory operated in Eastport last year and that one for short period. Would ask that you give all possible aid to passage of a depreciated currency bill.

J. A. FERRIS,

President Eastport Chamber of Commerce.

LUBEC, ME., January 31, 1933.

Senator HENRY D. HATFIELD,

*Senate Building, Washington, D. C.:*

Please do your utmost to help the sardine business. The depreciated currency has become a very serious menace and unless we can get assistance from Washington it will be impossible to operate our factories. This would cause 8,500 people to be turned out of work. We trust we will not have to face such conditions.

SEABOARD PACKING CO.

LUBEC, ME., January 31, 1933.

Senator HENRY D. HATFIELD,

*Senate Building, Washington, D. C.:*

Under normal conditions we employ 125 people; last year we did not operate, due to the importation of foreign sardines and depreciated currency, and unless relief is immediately forthcoming we can not possibly operate this year. We earnestly beg the Senators to take some action that will protect the industry, as well as our town.

UNION SARDINE CO.

LUBEC, ME., January 31, 1933.

Senator HENRY D. HATFIELD,

*Senate Building, Washington, D. C.:*

Depreciated currency has become a very serious menace to the sardine industry. This industry employs directly 8,500 people. We earnestly ask the Senators to do everything possible to adjust this serious matter.

RAMSDALL PACKING CO.

LUBEC, ME., January 31, 1933.

Senator HENRY D. HATFIELD,

*Senate Building, Washington, D. C.:*

Depreciated currency is becoming a serious matter in this section of the country. We ask you to do all you can to adjust the tariff so that sardines can be packed in competition with foreign countries.

LUBEC CHAMBER OF COMMERCE.

BANGOR, ME., January 30, 1933.

Senator HENRY D. HATFIELD,

*Senate Office Building, Washington, D. C.:*

Our business is supplying electric light and power to 73 of the principal cities and towns of eastern Maine. Ruinous competition from countries with depreciated currencies has had direct and marked effect in the territory we serve in lessening employment and curtailing of industry. Can not urge too strongly the necessity of prompt relief through enactment of suitable legislation by Congress.

EDWARD M. GRAHAM,  
President Bangor Hydro Electric Co.

CINCINNATI, OHIO, January 31, 1933.

Hon. HENRY HATFIELD,

*United States Senate:*

We heartily approve purpose of H. R. 13999 and earnestly urge your favorable consideration.

FRED A. GEIER,  
President the Cincinnati Milling Machine Co.

APPLETON, WIS., January 31, 1933.

Senator HENRY D. HATFIELD,

*Senate Office Building:*

Ourselves and our employees suffering seriously from effects of depreciated foreign currency. Condition most serious and relief needed promptly.

WISCONSIN WIRE WORKS.

PARKERSBURG, W. VA., January 31, 1933.

Senator H. D. HATFIELD,

*Senate Office Building:*

Correcting depreciated-currency situation with immediate legislation would help 660 of our organization.

AMES BALDWIN WYOMING SHOVEL CO.,  
RICHARD HARTE, President.

CLEVELAND, OHIO, January 30, 1933.

Senator HENRY D. HATFIELD,

*United States Senate:*

Competition from foreign countries on Fourdrinier wires, paragraph 318, seriously affecting the market prices of these goods owing to depreciated currencies, which has greatly reduced protection on this commodity. We strongly urge the necessity of legislation which will provide adequate protection against imports from countries having depreciated currencies.

THE W. S. TYLER CO.

APPLETON, WIS., January 30, 1933.

Senator HENRY D. HATFIELD,

*United States Senate, Washington, D. C.:*

Competition from several countries off the gold standard working a serious injury to our industry. This condition growing



worse. Legislation to enable American industry to survive this menace is imperative and we urge immediate action to meet this depreciated-currency situation.

APPLETON WIRE WORKS (INC.).

BROOKLYN, N. Y., January 30, 1933.

Senator HENRY D. HATFIELD,

We respectfully urge your support of necessary legislation on depreciated currency. Feel that it is most vital to American industry.

WM. CABLE,  
Excelsior Wire Manufacturing Co.

NEW YORK, N. Y., January 30, 1933.

Hon. H. D. HATFIELD,

Senate Office Building, Washington, D. C.:

Your splendid work on imports from countries with depreciated currency has our hearty approval. Our factory in Frederick, Md., formerly employing 450 men has been cut down to about 200 men, largely due to imports from countries having cheap currency and cheap labor.

ALFRED McEWEN,  
President Ox Fibre Brush Co. (Inc.).

SOUTH WALPOLE, MASS., January 31, 1933.

Senator HATFIELD,

Senate Office Building:

For this company and personally I urge immediate action by Congress on depreciated currency equalization which will give quick relief to industry and consequently increase employment.

PHILLIPS DENNETT,  
President Bird Machine Co.

CLEVELAND, OHIO, January 31, 1933.

Senator HENRY D. HATFIELD,

Senate Office Building:

Over one-half of the products imported into the United States are benefiting from the advantage of depreciated foreign currency. Present situation seriously affects wire-cloth industry making paper machine wire cloth. Respectfully ask for your cooperation in correcting a condition that menaces American labor and manufacturers.

THE LINDSAY WIRE WEAVING CO.

NEW YORK, N. Y., January 30, 1933.

Hon. HENRY D. HATFIELD,

United States Senate:

Among articles of domestic manufacture oxide of zinc affords striking example of a domestic product which on account of depreciation in pound sterling value now has inadequate protection from British competition. We are manufacturers of this product. If British oxide of zinc were paid for on the par value of the pound sterling its base price without duty or ocean freight would be about 44 per cent higher than its present price. Its landed price would be 26 per cent higher.

THE NEW JERSEY ZINC CO.,  
H. S. WARDNER, Treasurer.

PHILADELPHIA, PA., January 30, 1933.

Senator H. D. HATFIELD:

Regarding depreciated-currency legislation we advise that competition from countries with depreciated currency has forced the price of ferromanganese below the cost of production here and threatens lower values at present time. This condition not only ruinous to producers of ferromanganese but also prohibits any possible production of manganese ore in the United States. Any tax to equalize currency values should not only apply to finished products from countries with depreciated currency but should also apply to products manufactured in countries still on gold basis where raw materials used are furnished by countries with depreciated currencies.

LAVINO FURNACE CO.

NEW YORK, N. Y., January 31, 1933.

Hon. H. D. HATFIELD,

United States Senate:

We would appreciate it if you would lead or support any constructive legislation to deal with importations from countries with depreciated currencies. This is about as important as a tariff for the protection of our industry. At the moment we are not experiencing severe competition from importations, but we are thinking of the future. Within a very few years Japan commenced producing rayon, and we understand is to-day the third largest producing country of rayon in the world, and its competition is now severely felt in the Italian and other European markets. Japan has not as yet exported much, if any, to this country, but even the present tariff would be entirely inadequate to protect us from Japanese imports on account of the depreciated yen.

SAMUEL A. SALVAGE,  
President Viscose Co.

DETROIT, MICH., January 30, 1933.

Hon. H. D. HATFIELD, Senator:

American industry, already suffering from depression, is now facing almost certain ruin due to tremendous importations of

cheaply made merchandise entering United States and manufactured in countries by cheap labor paid by depreciated currency, which countries have gone off the gold standard. Unfortunately these nations can now trade between themselves on a depreciated-currency basis, and the gold which we send abroad for this merchandise does not come back to buy the products of our land; thus the farmer, the employer, and the employee are all seriously injured, and we implore you to support legislation that will correct this evil. It is useless to recite in this telegram the enormous variety of products entering our country, which include paper, rubber products, electrical equipment, and I particularly speak in behalf of my fellow manufacturers when I refer to textiles and articles composed partly of textiles, which are innumerable. You can not blame the wife of the unemployed worker for buying a 20-cent pair of shoes for her child made in Japan, if she can secure same at the chain store for her barefooted child; but legislation that will prevent the article from entering this country will provide employment for her husband so that she will have money to buy American-made merchandise created by the hands of her husband or his fellow American workmen.

J. R. MILLAR,  
California Cotton Mills Co.

CONSHOHOCKEN, PA., January 30, 1933.

Hon. HENRY D. HATFIELD,

United States Senate, Washington, D. C.:

Imports of iron and steel from countries whose currencies have been depreciated are arriving in increasing quantities and at steadily decreasing prices far below American cost. Action by Congress to restore the effectiveness of and increase revenue from import duties is urgently needed to protect the jobs and welfare of our workmen.

ALAN WOOD STEEL CO.

PITTSBURGH, PA., January 30, 1933.

Senator H. D. HATFIELD,

United States Senate Office Building:

Depreciated currency of Great Britain makes impossible American manufacturers of grit and shot covered by paragraph 835, tariff act, competing. Present imported price, including duty three-fourths cent per pound now less than former price without duty and also lower than American costs. All effects of tariff act have been eliminated; this has caused curtailment of American production and employment.

G. H. KANN,  
President P. G. H. Crushed Steel Co.

JACKSONVILLE, FLA., January 30, 1933.

Hon. HENRY D. HATFIELD,

Senate Office Building, Washington, D. C.:

Understand emergency legislation dealing with depreciated foreign currencies being considered Senate this session. There are many industries in this section and many agricultural products suffering on account present conditions. Almost afraid have waited too long, and a few months more means practical annihilation major portion above-mentioned activities.

WILLIAM L. WILSON,  
Chairman Industrial Committee,  
Florida State Chamber of Commerce.

NEW YORK, N. Y., January 30, 1933.

Hon. H. D. HATFIELD,

United States Senate:

Present tariff on Portland cement completely nullified by reason of depreciated currencies of foreign manufacturers. American producers, whether of cement or other materials, should not be asked to compete with those foreign countries whose workmen are paid but a fraction of the wage of American workmen and in addition, paid in depreciated currencies as against the gold dollar of America. American workmen lose 125 days' employment for every thousand barrels of cement imported into this country. Importation of this low-priced cement not only demoralizes markets at port of entry but influence extends far back from seaboard. Our industry has operated during the past several years at very heavy financial loss to all manufacturers. Understand bills have been introduced to remedy this situation, and any help you can give looking to their passage will be appreciated.

F. M. COOGAN,  
Vice President Alpha Portland Cement Co.

SAN FRANCISCO, CALIF., January 30, 1933.

Hon. HENRY D. HATFIELD,

United States Senate:

Reference inflow cheap goods from countries with depreciated currencies. Account withdrawal Japan from gold standard impossible for Pacific coast cement manufacturers meet their competition Hawaiian Islands; also fish industry Pacific coast facing ruin through Japanese competition. This same situation would also apply electric light bulbs, toys, rubber goods, etc., from Japan and to importation numerous other commodities from European countries off gold standard. Serious emergency exists which threatens entire American industry in our opinion. H. R. 13999, if passed and approved by Senate will meet emergency.

JAMES A. KELLER,  
Vice President Pacific Portland Cement Co.

SOUTHBREWER, ME., January 30, 1933.

Senator HENRY D. HATFIELD,

Senate Office Building, Washington, D. C.:

Invasion of our domestic market by foreign goods under advantage of currency depreciation is causing widespread loss of employment to labor and untold losses to industry, which is fast drying up. A bad smash is inevitable unless relief comes soon from competition of foreign goods sold at prices below our cost of production. Can not stand the strain much longer. Real emergency exists. Prompt correction of situation through Federal legislation imperative.

STUART B. COPELAND,  
Vice President and General Manager  
Eastern Manufacturing Co.

CHICAGO, ILL., January 30, 1933.

Senator H. D. HATFIELD:

Due to insufficient tariff and depreciated currencies, large quantities of foreign-made water colors have been introduced and are now being used in our American schools. We feel American labor, industry, and capital should be protected and our children should be free from foreign influences in our schools. We solicit your support and the support of Congress to rectify this condition.

BETTER SCHOOLS LEAGUE.

SANDUSKY, OHIO, January 31, 1933.

Senator H. D. HATFIELD,

Senate Office Building, Washington, D. C.:

Importations of foreign student and toy water colors have practically compelled us to shut down this department of our business which normally employs about 100 people, and all other American factories are affected in the same way. Greatly appreciate the interest you have manifested in the proper equalization of imports from foreign countries with depreciated currencies, and this is to solicit your continued support and the support of Congress in this vital question at this hour.

C. W. HORD,  
Vice President American Crayon Co.

BOSTON, MASS., January 30, 1933.

Senator HENRY D. HATFIELD,

United States Senate:

Employment in wool manufacture in 1932 was about 65 per cent of 1926 rate, the year chosen by Labor Department for comparison, but below normal for wool manufacture. At that time about 200,000 were employed. Unless something is done to overcome advantage importers have because of low landed cost of wool manufactures from countries with depreciated currencies due to appraisal for ad valorem protective duties on foreign value and low foreign costs to importers, the present diminished employment rate will be much reduced.

NATIONAL ASSOCIATION OF WOOL MANUFACTURERS,  
WALTER HUMPHREY, Secretary.

BOSTON, MASS., January 30, 1933.

Senator HENRY D. HATFIELD,

United States Senate:

Data of British Board of Trade show great increase in ratio of British exports to imports since Great Britain went off gold standard. American statistics show 221 per cent increase of imports of British wool yarns during eight months of last year. Hope you will promote legislation to compensate for depreciated currencies now as you did so admirably last spring. Association's point of view is set forth in House hearings last May 13 on bills to equalize tariff duties by compensating for depreciated foreign currencies.

NATIONAL ASSOCIATION OF WOOL MANUFACTURERS,  
WALTER HUMPHREYS, Secretary.

DALLAS, TEX., January 29, 1933.

Hon. HENRY D. HATFIELD,

United States Senate, Washington, D. C.:

Lack of adequate tariff seriously handicapping domestic oil and fat producers. Texas farmers sell to cotton oil mills approximately 1,400,000 tons cottonseed annually which produces 420,000,000 pounds cotton oil. A 2-cent per pound effective duty on imported oils would add \$6 to the value of each ton of seed sold by Texas farmers, or approximately \$8,400,000 annually. Mexico has 2.95 cents per pound effective duty on cotton oil, and consequently cotton oil is selling in Mexico for 6 cents per pound, compared with 2½ cents in Texas and other Southern States. Total crude cottonseed oil produced United States for season 1931-32 was 1,694,000,000 pounds. Two cents effective duty on imported oils would have added \$33,000,000 value to the seed.

A. L. WARD.

AUBURN, N. Y., January 30, 1933.

Senator H. D. HATFIELD,

Senate Office Building:

Foreign depreciated currency values will ultimately ruin our industry unless protection equal to the depreciated currency plus duty is quickly put into effect.

COLUMBIAN ROPE CO.

MACHIAS, ME., January 31, 1933.

Senator HENRY D. HATFIELD,

United States Senate:

The future of Washington County depends on the passage of the depreciated currency bill. May we have your support?

MACHIAS CHAMBER OF COMMERCE.

NEW YORK, N. Y., January 30, 1933.

Hon. H. D. HATFIELD,

United States Senate:

If Congress will not do the perfectly obvious things that would restore confidence and by restoring confidence increase business activity and employment, enhance commodity values, and make easier return to gold standard by important European countries, then as a temporary expedient only we favor additional levies on dutiable imports to equalize depreciated foreign currencies with their unfavorable effect on employment here.

GALEY &amp; LORD (INC.)

SAN FRANCISCO, CALIF., January 30, 1933.

Hon. H. D. HATFIELD,

Senate Office Building:

Unless very prompt action is taken many of the basic industries of this country will be destroyed as a result of competition from foreign countries off the gold standard which are able to sell in this market at prices below anything possible of attainment in this country. Situation is fast approaching crisis. Many large Pacific coast plants are entirely shut down and employees have become public charges. Many natural resource industries are paralyzed by same competition. In our opinion no possible chance for recovery unless legislation enacted to protect American industry from this ruinous competition and we urge you to support House bill 13999 which we believe meets this emergency.

CROWN ZELLERBACH CORPORATION.

PORTLAND, ME., January 30, 1933.

H. D. HATFIELD,

Senator from West Virginia:

Associated Industries extremely interested depreciated currency measure. Help us.

BENJAMIN F. CLEAVES,  
Executive Secretary.

SPRINGFIELD, MASS., January 30, 1933.

Senator HENRY D. HATFIELD,

Washington, D. C.:

We would most urgently request your support of legislation to overcome depreciated currency. In our opinion this relief is sorely needed before any recovery will be possible.

CHENEY BIGELOW WIRE WORKS.

APPLETON, WIS., January 30, 1933.

Hon. HENRY D. HATFIELD,

United States Senate:

Appleton Chamber of Commerce urges emergency legislation that will equalize the effect of depreciated currency. Important industries in this district are facing serious crisis due to foreign competition made possible by inflated currency and the difference in exchange.

KENNETH H. CORBETT,  
Secretary Appleton Chamber of Commerce.

SEATTLE, WASH., January 30, 1933.

United States Senator HENRY D. HATFIELD,

Senate Office Building:

Because 80,000 workmen in Pacific Northwest are unemployed due to importations from foreign countries with debased currencies, immediate congressional action to relieve this unemployment and stabilize business conditions is urgent. Remedial legislation along lines of Hill bill, House Resolution 13999, imperative to prevent continued and alarming increase in this unemployment. Nations whose currencies are depreciated able to ship merchandise into United States, pay existing tariffs, accept American currency in payment, and make greater profit on their merchandise than if sold in their own markets. This situation presents national issue of great concern to entire country.

SEATTLE CHAMBER OF COMMERCE.

BELOIT, WIS., January 30, 1933.

Hon. HENRY D. HATFIELD,

United States Senate:

We strongly urge upon you the serious necessity of emergency legislation to compensate for depreciated foreign currencies affecting imports, and we hope this movement will have your support. Believe this one of the most important steps to help relieve unemployment.

E. H. NEESE.

MCINTYRE, GA., January 30, 1933.

Hon. HENRY D. HATFIELD,

United States Senate:

Understand emergency legislation can be had in Senate to regulate depreciated foreign currencies. This legislation is vital to our success and we recommend early passage.

EDGAR BROS. CO.



CANTON, N. C., January 30, 1933.

HON. HENRY D. HATFIELD,  
United States Senate:

Foreign producers aided by depreciated currency are steadily taking more and more of American markets away from American producers with disastrous results on both labor and capital. We are feeling these effects acutely and need emergency legislation to take care of the situation and this legislation must come quickly if further serious chaotic conditions are to be prevented.

REUBEN B. ROBERTSON.

HAMILTON, OHIO, January 31, 1933.

Senator HATFIELD:

We are heartily in favor of a law that will protect American labor so that all import from countries that have debased their currencies will pay a surtax equal to the depreciation of currency from par exchange with the United States.

SHULER &amp; BENNINGHOFFEN.

JONESPORT, ME., January 31, 1933.

HON. HENRY D. HATFIELD,

United States Senate:

We appreciate your efforts of the depreciated money values bill. Sincerely hope it will pass; future of Washington County depends on it.

JONESPORT CHAMBER OF COMMERCE,  
MAXWELL J. KELLEY, President.

EAU CLAIRE, WIS., January 31, 1933.

Senator HENRY D. HATFIELD,

United States Senate:

We urge you to do all you possibly can for emergency legislation dealing with depreciated currencies.

DELLS PAPER & PULP Co.,  
S. R. DAVIS, President.

GREEN BAY, WIS., January 31, 1933.

HON. HENRY D. HATFIELD,

United States Senate, Senate Office Building:

We strongly urge legislation for the correction of unfair competition caused by debased currencies of foreign nations.

HOBERG PAPER & FIBRE Co.,  
J. M. CONWAY.

SHEBOYGAN, WIS., January 31, 1933.

Senator HENRY D. HATFIELD,

United States Senate:

The necessity of emergency legislation dealing with depreciated currencies is imperative. Business needs this relief. Your support will be appreciated.

C. A. REISS.

WATERVILLE, ME., January 31, 1933.

Senator HENRY D. HATFIELD:

Urge duty on all imports from countries with depreciated currency.

WATERVILLE-WINSLOW CHAMBER OF COMMERCE,  
F. M. WALLACE, Secretary.

DOWNTOWN, PA., January 31, 1933.

Senator HATFIELD,

Senate Chamber:

We commend your stand on equalization of important duties to balance effect to depreciated currencies and wish at all cost to keep our own currency sound.

A. H. STANDLEY,  
President Downingtown Manufacturing Co.

BOSTON, MASS., January 31, 1933.

Senator HENRY D. HATFIELD,

Senate Office Building:

Hope you will make as strong a speech on depreciated currency as you did last spring.

SINCLAIR WEEKS.

PHILADELPHIA, PA., January 31, 1933.

Senator HATFIELD,

Senate Office Building:

Highly favor suitable bill equalizing depreciated currency. Vital that American industry have this protection.

PENNSYLVANIA SALT MANUFACTURING Co.

AUGUSTA, ME., January 31, 1933.

Senator HENRY D. HATFIELD:

We are in favor of depreciated currency bill.

AUGUSTA CHAMBER OF COMMERCE.

Mr. HATFIELD. Mr. President, having been honored by this body as chairman of its Immigration Committee, I have come in contact with a situation which I do not believe was ever contemplated by the Congress of the United States, and that is that under our present system we give a prefer-

ence in the American market to the products of Asiatic countries, to whose citizens we deny entry.

This point was brought out clearly before the Tariff Commission yesterday by the statement of Matthew Woll, of the American Federation of Labor. I ask unanimous consent that the clerk may read his statement.

The PRESIDING OFFICER. Without objection, the clerk will read as requested.

The legislative clerk proceeded to read the statement, and was interrupted by

Mr. TYDINGS. Mr. President—

Mr. HATFIELD. I yield to the Senator.

Mr. TYDINGS. I hope the Senator will not think I am discourteous or presumptuous, but I have just made a calculation and find that we have only 27 legislative days left of the present session, and we have not yet passed any of the appropriation bills.

Mr. HATFIELD. That is very true, Mr. President, but we might have accomplished much more in a legislative way if the senior Senator from Maryland had been more considerate of the time of this body at this session and at the last session in 1932.

Mr. TYDINGS. I thank the Senator. I did not intend to attack the Senator, and I may say that I have not filibustered at this session, but have spoken very sparingly.

Mr. HATFIELD. I appreciate the Senator did not intend to attack me, but I have never been guilty, Mr. President, since I have been a Member of this body, of filibustering upon any subject, and the subject that I am discussing to-day is absolutely in harmony with the subject matter of the unfinished business before the Senate.

Mr. TYDINGS. Mr. President, will the Senator let me make a statement. I wish simply—

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Maryland?

Mr. HATFIELD. I think I can get along, Mr. President, without any suggestion from the able Senator from Maryland.

Mr. TYDINGS. Will the Senator yield?

Mr. HATFIELD. No; I decline to yield any further.

The PRESIDING OFFICER. The Senator from West Virginia declines to yield.

Mr. HATFIELD. I ask that without further reading, the statement made by Mr. Matthew Woll, vice president of the American Federation of Labor, may be made a part of my remarks and printed in the Record.

Mr. TYDINGS. That is what I was going to suggest, Mr. President.

The PRESIDING OFFICER. Without objection the remainder of the statement will be printed in the Record.

The statement of Mr. Woll entire is as follows:

#### STATEMENT OF MR. MATTHEW WOLL BEFORE THE UNITED STATES TARIFF COMMISSION

The well-established American policy, as pronounced to the American people by the two dominant political parties, is the enactment, establishment, and maintenance of tariff legislation or regulation which will protect the employment opportunities of American workers and which will insure an American market for the products of American workers.

Tariff protection is more necessary in times of depression than when conditions are normal. Generally, American labor costs are higher. In addition, the overhead is also higher. In periods of depression, American costs of production decline more slowly than in foreign countries where labor and overhead costs are both lower.

We believe that tariff rates should be so arranged and adjusted that they provide adequate protection of American-made products at all times and form as well an effective barrier against too rapidly declining commodity values.

At the present time there is ample evidence available (in the files of the United States Tariff Commission) to prove beyond doubt that foreign products are being dumped into the American market at prices which are less than American labor costs of producing of like and similar articles.

American labor believes that American valuation, or, American selling price, as the basis for the establishment of tariff rates, is more easily ascertainable and certainly more American-like than our present system of basing duties on foreign value.

All of the books of the producing or importing concerns are available in our own country. We do not have to humiliate ourselves by asking favors from foreign governments.



There is no valid reason why we should humble ourselves before any alien people in an effort to secure information on which to act pertaining to our own domestic affairs.

We should not, as Americans, be placed in the humiliating position of permitting, let alone granting foreigners the right to control or to interfere in our domestic affairs.

Under our present system of basing ad valorem tariff rates on foreign products we openly and knowingly discriminate against the products of the workers of those countries of Europe who have established wage and working conditions more nearly approximating what may be termed American standards of living.

Under the foreign valuation principle we countervene the established national policy as it pertains to the Asiatic coolie labor.

We have excluded the Asiatics because American labor could not compete with this character of labor in America and retain our standards of living. While we are excluding Asiatics we welcome their products in that we have a tariff policy which favors the products of the Asiatics in preference to all other nationals and at the expense of both American and European workers.

In normal times almost any commodity which is produced in any of the major countries and which is imported into the United States, the product of foreign workers, enters the American market on the following unit basis of value: If from England, \$1.50; if from France, Germany, or Belgium, \$1.10; if from Czechoslovakia, \$1; if from Japan, 60 cents.

For purposes of illustration, let us assume that this article is a bound book containing plates or pictures.

The tariff levied is 15 per cent on foreign value. The duties collected are as follows:

The English product, 22½ cents; the French, German, or Belgian product, 18 cents; the Czechoslovakian product, 15 cents; and the Japanese product, 9 cents.

Under present-day conditions, with many foreign nations having debased their currency value, our tariff duties based on ad valorem values are of no protection whatever to American workers. In fact, we find that orders are now going to Japanese producers of bound books with plates instead of to European producers due entirely to the fact that with Japanese currency debased 60 per cent and with Japanese workers having been forced to accept a substantial reduction in wages during the past year the products of the Japanese workers can be landed here, duty paid, at costs which are far less than any similar book can be produced in America or any of the other foreign countries.

Our tariff policy, as in force at the present time, favors the products of the very people our immigration policy bars from entry into our country. Surely such was never the intent of the Congress of the United States, much less the desire of the American people.

Not only are our present tariff rates ineffective in protecting the employment opportunities of America's wage earners, but foreigners, their production costs and prices being founded on debased currency value, are able to and do deliver manufactured products into the American market which compete with the products of American workers at prices which have forced the closing of thousands of American factories, work shops, and mills.

In support of the foregoing I refer your attention to an industry in which all of the facts are a matter of record and are on file in the office of the United States Tariff Commission. I refer to the decorated table-chinaware industry.

When the present tariff act was enacted the average unit value of imports from Japan, as shown in the table on pages 2-6 of the Report of the United States Tariff Commission on Depreciated Exchange, was 71 cents per dozen pieces. At that time, of imports of these articles from Japan, Japan controlled — per cent of the American market. This same table evidences that the imports for the month of March, 1932, averaged a unit value of 26 cents per dozen pieces.

We will present two exhibits of wooden rollers used in the printing of wall papers, textiles, paper, etc., rollers, the product of German workers. German currency is still on the gold basis. Landed costs in the American market, all duties and other expenses paid, range from 60 per cent to 70 per cent of what similar rollers, the products of American workers, will cost to produce.

Another illustration of the ineffectiveness of our present tariff policy of basing duties on foreign values, which facts are in the possession of the United States Tariff Commission, is in the case of customs duties imposed on imports of shoes produced in Czechoslovakia.

The Congress, upon the request of American labor, in order to protect the employment opportunities of the boot and shoe workers, placed a duty of 20 per cent on imports of shoes. The Czechoslovakian producers were flooding the American market with shoes which were delivered at costs less than American costs of production. At the time this action was taken Czechoslovakian shoes were entered upon an invoice value of \$2.60 per pair.

These Czechoslovakian shoes, incidentally, are made expressly for sale in the American market and the producers make this bold and unqualified statement. These shoes have no market abroad. They have no export market, as, in the main, they are sold directly to the representatives of the Czechoslovakian producers in America. Shortly after the Congress had levied this duty of 20 per cent the same shoes, imported from Czechoslovakia, were landed at our customhouses with an invoice value of \$1.80.

The officers of the boot and shoe workers union appealed to the Tariff Commission, and the Tariff Commission, acting under the flexible provisions of the tariff act, made an investigation of comparative costs. The investigation resulted in the commission rec-

ommending and the President approving increase of the full 50 per cent in duties allowed under the law. Thereafter imports of these shoes paid a duty on the basis of 30 per cent. Following the increase of the duty the same shoes, which had been invoiced at \$1.80 a pair, were landed with an invoice value of only \$1.40 per pair.

Here then we have a situation where we know that there is no home or foreign or export value. Yet our workers of America are forced to compete with these shoes, entered on a supposedly foreign value.

We claim that this system or the policy involved is not honest or justified. We may claim that the invoice value as entered by the importers is not an honest one. But let the following illustration present its own conclusion. The Czechoslovakian producers, with their own distributing agencies in the United States, can invoice these shoes with the idea of collecting profits on either the manufacturing or the retail end. There is nothing to prevent their doing so and they are free to do as they will and they are not averse to taking every advantage thus presented. It is fair to assume that they will collect the duty on the retail end, as it makes it possible for them to secure entry at a lower cost than if the profits are charged on the foreign end and duties paid here.

We are not interested in the profits of any concern. We are interested very deeply in the employment opportunities of American workers. We recognize quite clearly that American workers will not be given employment opportunities while foreign producers can deliver like or similar products at total delivered costs which are less than the American costs of production.

The establishment of American valuation or American selling price as the basis for ad valorem tariff rates has many other advantages in addition to the protection it affords the employment opportunities of American workers.

It will eliminate the necessity and expense of maintaining Treasury agents in foreign countries; it will eliminate, in great part, the distress and suffering here created through the dumping of foreign products into our markets at prices which are less than American costs of production; it will eliminate costly litigation, as the facts bearing on any importation will easily be ascertainable in our own country; it will eliminate the unnecessary irritation caused in foreign countries through our efforts to secure production costs from peoples who claim that such information is confidential.

It permits of an exact knowledge on the part of Government officials of what portion of any given product is of foreign or domestic production; it will make it possible for Government agents to know what is the value of American products displaced by the entry of foreign products into the American markets; it will eliminate the unsound and unwarrantable statistics issued from time to time by our Commerce and Treasury Departments as to the value of our imports and exports.

American valuation or American selling price will also eliminate the present advantage accruing to those American distributors who, through purchasing agencies in foreign countries, secure entry of their purchases at total costs which are less than is possible for the smaller merchant.

The report of the Tariff Commission with reference to its investigation under section 340, relating to products coming within the scope of paragraphs 27 and 28, shows that more than 50 per cent of the imports were dutiable under American valuation.

American labor has consistently recommended that all tariff rates on the ad valorem basis be levied on American valuation.

The entry of foreign products, which compete with the products of our own workers, are sold ordinarily at but a small fraction less than the American goods.

The importer of foreign products who is interested in the distribution of these foreign-made articles knows in advance what the sales value of these articles is and we know that such sales value is based upon the sales values of like or similar articles, the products of American workers. It is the foreign producer and importer alone who gain by the present arrangement and not the American consumer.

There is no good and sufficient reason why the importer or distributor of these foreign-made articles should be permitted to land these articles at a total cost which is less than the American costs of production.

The only fair and equitable policy to adopt is to have the importers of foreign goods or articles pay duties on the basis of the value of the articles in the American market where they are offered for sale and where they displace the products of American workers.

There is but little sense, as we see it, in closing our gates to the entry of the low-wage-paid workers of Europe and the total exclusion of the Asiatics and at the same time permitting the products of these lesser paid and of those denied entry into our country to land their commodities in our country virtually free of any restrictions.

We appreciate that this commission has been requested by the President to conduct this investigation and report their findings thereon to the Congress.

We are firmly opposed to the continuation of a system wherein foreign manufacturers can dominate and too often control the wage policies of our own American manufacturing concerns.

We have had several surveys made in Europe as to the attitude of European producers toward our tariff policies and the reasons therefor.

Basing our statements on surveys made by our own people and at the expense of the members of the national and international unions affiliated with the American Federation of Labor, we can



state, without the slightest fear of contradiction, that we have ample proof of the influence and the control which European producers have over wage scales and working conditions of workers in our own country by reason of our system of levying ad valorem duties on the basis of foreign valuation.

In a survey made of the French perfume bottle industry we found: "The French workers were told that their employment depended on the ability of the firm (the French employers) to sell the product of the French workers in the American market. As a result wages and working conditions of French workers have been fixed to enable these French companies to undersell the American manufacturers in the American market. The wages paid are about one-third the wages paid to workers in our own country."

Following an exhaustive survey of European industries made only a few years ago by one of the representatives of the American Federation of Labor, he reported to that body, stating in part:

"They are seeking employment, and to secure employment they must secure markets, and the market they seek is that of the United States. We (try to) keep them out of our market with our tariff. Then they ask that they be permitted to come to America to work and we keep them out with our immigration laws; and with these two principles of our Government we are not in conflict when used to protect American industries and American workmen."

Continuing, this report concludes.

"The European workmen, however, know that one-fifteenth of the wealth of the United States is now invested in Europe and they see our large captains of industries establishing factories in their countries and they expect that within a few years they will be employed in these branch American factories, producing for export to the United States."

It will interest the members of this commission to know, as you probably do know, that many large American concerns have closed large parts of their American plants and are supplying the American trade from branches located in foreign countries. I need hardly refer to the fact that the Eastman Kodak is importing from Germany. The same is true of the American Optical Co. The Singer Sewing Machine Co. was found some years ago to have closed their plants in Elizabeth, N. J. and Bridgeport, Conn., and were importing parts for these machines from their plant in Scotland.

I need not dwell on the activities of Henry Ford. Suffice it to say that we understand that plans are already made for his abandonment of his Ireland plant because the American farmers are refusing to purchase tractors, produced in Ireland, unless Ford reduces his prices and permits the American farmers to secure the benefits which have accrued to Ford through his lower labor cost and the admission of the tractors as farm implements, free of the payment of any duty. Of course, he still imports parts, though in a lesser quantity.

American labor is keenly interested in this investigation, and the report the commission shall make.

We are mindful of the fact that there has been a change in the administration of public affairs; that there has been a change in the political complexion of the Congress. At the same time we also recall very distinctly that both political parties have promised adequate tariff protection to the products of American workers and that a plea for adequate relief is without political bias or prejudice.

We sincerely trust that your report will be favorable to our point of view and that it will be presented to the Congress in the very near future.

Mr. HATFIELD. Mr. President, I had the conviction as early as the latter part of 1931 that the abandonment of the gold standard by various nations would render ineffectual the tariff rates of the Smoot-Hawley tariff law. As a result of my investigation I became so thoroughly convinced that I was right in my convictions that I addressed the Senate of the United States upon the subject on April 1, 1932, from which address I ask that a quotation may be printed in the Record without reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The excerpt referred to is as follows:

#### EFFECTS OF IMPORTS

Mr. President, we find a condition to-day wherein, as a result of the depreciation of foreign currencies in those countries which have gone off the gold standard, prices of their products, importable into the United States, are so low that even tariff rates of more than 100 per cent equivalent ad valorem do not protect from foreign competition some of those commodities produced by the American farmer.

I believe, Mr. President, that it is the duty of this body, with conditions prevailing as they do to-day, to provide employment opportunities for American workers; to provide a market in America for the products of the American farmer. The busy hum of machinery in factories in the great plants of America is the only way in which prosperity has been accomplished in our land.

Mr. HATFIELD. There is only one way by which the desirable result indicated can be brought about, and that is by administrative authority, quickly applied, placing a surcharge on imports from countries with depreciated currencies equal to the difference between the depreciation and the former standard. The emergency calls for a simple, readily applied remedy which Congress can authorize.

Mr. President, if there was any doubt in my mind then as to the correctness of my conclusion it has been dispelled. The expressions contained in the telegrams I have presented are conclusive to me that had we dealt with this subject in the first part of the year 1932, instead of our people as a nation sinking deeper in the slough of depression, we would be advancing upward and onward to a stable, industrial, economic, and financial condition. The longer we procrastinate, Mr. President, the more direful will become our situation and the longer it will take us to extricate ourselves from the mire in which we have sunk, with our industries verging on the brink of bankruptcy. I make this statement advisedly. It applies to our transportation companies, to our banking institutions, and to every industrial group under the American flag to-day, whether it be industries manufacturing finished products or those producing raw materials.

I appeal to the Congress of the United States to forget politics, partisanship, and to do that which has always been foremost and uppermost in the minds of the European and Asiatic, namely, the protection of their tollers and the preservation of the fundamental elements necessary to a stable Government, regardless of the effect on others.

Mr. President, America's greatest enemies reside within our own borders. Americans, from our early days, have been pioneers. Our country was established by lovers of freedom.

We have never knowingly engaged in a war of aggression. Our people, through lack of foresight or unwillingness on the part of the Congress to act, have been continually exploited by our financial buccaneers.

Through the foresight of Washington, Jefferson, Hamilton, Madison, Monroe, and others, in the enactment of a protective tariff policy, we have successfully developed from a country dependent for our essential supplies upon Europe to a nation more self-contained than any other nation in the world.

Our people have always had to contend with the evil influence of those avaricious money lenders who know no patriotism, have little, if any, love of country, and are interested solely in the profits which they hope to accumulate.

The present depression has been greatly prolonged because of our laws, which make it possible for foreigners to dump their products into our home market at total landed costs, tariff duties paid, which are less than the American costs of production, thus depriving millions of our American workers of much-needed employment.

When the present tariff act was under consideration representatives of our international banking houses crowded Washington, and I regret to say that they were partially, at least, successful in so shaping the final draft of the tariff act that we find ourselves to-day unable properly to protect the employment opportunities of our workers or the hard-earned savings of those who builded our American industrial plants. It is not often, though, that we find conclusive evidence of our international bankers' deliberately trying to destroy a growing and vitally necessary American industry for the benefit of foreigners.

Mr. President, as one of the many thousands of American physicians administering to the needs of the sick and the injured, I have personally used many pounds of iodine, an antiseptic for which there is no satisfactory substitute. Prior to two years ago, we in America were entirely dependent for our supply of this most necessary medicine upon imports from Chile.

Some two years ago, after years of exhaustive chemical research by chemists under the direction of Dr. William J. Hale, a process was developed for producing American iodine from the products of the oil wells of southern and western



States. This American iodine is identical in all its properties with foreign-made iodine and is so recognized by the medical profession. To-day there is a plant making iodine at Shreveport, La., and also one at Los Angeles, Calif. When this American-made product was first placed on the market the price of iodine for many years had been in excess of \$4 per pound. Competition, made possible by this new American industry, forced the selling price of iodine down to less than \$2.50 per pound within one year and broke the monopoly formerly maintained by foreigners.

Continued growth of this new American industry not only broke the foreign monopoly and freed America from foreign dependence, but it also apparently threatened the profits of the international banking house which represents the foreign cartel in our own country. This international bank, one of the largest in our country, with its deposits and its resources consisting of moneys and securities left with it by Americans for safe keeping and safe investment, loaned—and I say loaned advisedly—\$900,000 on a consignment of 450,000 pounds of Chilean iodine, a year's supply. It will be noted that this loan was made at the rate of \$2 per pound at a time when the market price was at least \$4 per pound. It is my understanding that when the loan became due, the usual profits of the foreign cartel having dropped substantially due to the competition of the American product, the international banking house disposed of a large quantity of the foreign product at a price which was some 20 per cent less than the market price for iodine then prevailing. I understand that the price at which the bank dumped this foreign product on the American market was not only some 20 per cent below the then prevailing market price, but, so I understand, it was 5 cents per pound less than the \$2 per pound which this American bank advanced.

This dumping was probably done with the complete understanding of the American representative of the foreign cartel; but the action—and it is action which counts—was the action of American bankers, using the deposits of Americans in an effort to throttle an American industry.

What was the purpose of this dumping, other than an attempt to throttle an American industry and to permit foreigners further to exploit the American people?

This dumping was not necessary because of forced liquidation, as this American bank is still operating and is paying dividends to its stockholders.

The only purpose of this action, Mr. President, was an effort to throttle and to destroy this new American industry, through which action the bankers might continue to profit by their continued trafficking with the foreign cartel.

In order that it might not be inferred that this is an isolated case, Mr. President, I will cite for the benefit of the skeptics another of the many illustrations which may be cited of the piracy and the exploitation of the American people by some of our international bankers.

During the past 10 years more than \$150,000,000 of the American people's money has been invested in Chilean nitrate fields. The American bankers who secured control of this vast sum of American money have been openly conspiring with foreigners for the last few years so to fix the price of nitrates that they might exploit American industries and American farmers through high and exorbitant prices. However, the day of reckoning is near.

Again, through the tireless work of American chemists, the patriotism of those who builded the American Chemical Foundation and the American chemical industry, we are independent of any foreign nitrates, and once again are we a free and an independent people.

The bubble has burst; and it is only a question of a short time when those who invested their hard-earned savings on the advice of American bankers in the securities of the Chilean nitrate fields will find that their investment has been substantially lost.

I need not dwell further on the unscrupulousness of some of our international bankers.

Our honored and able colleague from California [Mr. JOHNSON] has established facts pertaining to the perfidy of some international bankers beyond the peradventure of

doubt; and the records of the hearings held before the Senate Finance Committee, I regret to say, portray a sorry picture for future generations of Americans to look back upon.

However, Mr. President, while this is true, there is a darker and more dangerous condition confronting the American chemical industry; and danger there means danger to many other American industries. That is the strong possibility of further dumping on the part of those American bankers who have in storage in this country some 250,000 tons of Chilean nitrates, which sooner or later they will be forced to dump on the American market at such prices as they can secure, to protect the loans which they have made, with American money, to this foreign monopoly.

I am informed from reliable sources—American chemists who have spent years in this investigation—that sodium nitrate will be replaced by a new and more efficient substitute already produced in this country. Yet, Mr. President, as a result of the inadequacy of our antidumping laws, American industry is endangered; and again the chemical industry is threatened, not by foreigners, but by those within the gates of our own country who proudly, at times, at least, dwell upon the glories of America.

According to Associated Press dispatches, the Edwards & Co. Bank, of Santiago, Chile, has recently through court proceedings placed an embargo on 150,000 tons of nitrate stored in northern Chilean ports and belonging to the Cosach, to satisfy a loan of \$1,300,000 made to that company. This would indicate a loan of \$8.66 per ton in Chile. If this bank should decide to liquidate this loan, it could place that nitrate in an American port substantially below the market price, incur no loss, and even make a profit. This particular amount of nitrate is not considerable, but it serves to illustrate what may have to be faced in the not far distant future.

The Chilean industry's only salvation lies in the destruction of our fixed-nitrogen industry, and we may expect every effort in that direction by outright dumping in our markets.

With the 3,000,000 tons of their stocks shut out from all countries except our own and Egypt, which requires only about 200,000 tons a year, this dumping could proceed long enough to spell disaster to the American industry.

Indicative of what will happen when the American bankers who have invested many millions of dollars in Chilean nitrates seek payment on their investments is the action of the Chilean bank under similar conditions.

The dumping of this mortgaged stock of nitrates on the American market will temporarily destroy our home industry; and yet there is no existing law to protect this industry which means so much to America.

Mr. President, last April I occupied the floor of this Chamber and pleaded with the Members of the Senate for action to protect American workers who were being denied employment, due to the inability of the products of the American factory, mine, and farm to compete with similar articles originating in foreign countries. Over 30 nations to-day are off the gold standard, with currencies depreciated from 15 per cent to as high as 60 per cent; and the delivered duty-paid prices of these articles are far below the domestic cost of production. Furthermore, the offer of goods in American markets at ridiculously low prices is rapidly breaking down our price levels to the point where the wheels of American industry cease to operate.

We are face to face with a national crisis, although apparently a great many of our citizens are still unaware of its purport. We can either submit to this inflow of foreign goods, manufactured in the home of depreciated currencies, or we can stop this inflow by legislation to offset the advantage accruing to foreign producers as a result of their depreciated currencies.

If we fail to act now, we shall be forced later to adopt quotas and embargoes; otherwise, our Nation will be ruined. The question at issue is extremely simple, Mr. President: Shall we preserve the American markets for American labor?

Foreign nations, in self-protection, have been quick to act in this emergency by the adoption of embargoes and quotas.



Uncle Sam, in childlike faith, viewing the citizens of this world as righteously minded toward each other, now again beholds himself as a disillusioned child. The foreign nations have borrowed all they can secure; now they would take away from us our sole remaining asset, our home market. There remains only one thing left to take, and that is our land. As a nation, we have played the part of Nero fiddling as the country burns.

I take off my hat to the wily foreigner who, in debasing his own currency, finds an easy entrance for his products into this country directly over our tariff wall. Last Spring, when I discussed the situation on the floor of the Senate, the inflow was just beginning to materialize and price levels to be destroyed.

I wish to have read at the desk a few paragraphs from a newspaper published in Tokyo, Japan, commenting upon the increased trade Japan is enjoying due to the depreciation of the yen.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the article will be read.

The Chief Clerk read as follows:

[From The Trans-Pacific: A Weekly Review of Far Eastern Political, Social, and Economic Developments]

**JAPANESE EXPORT TRADE ENTERING BIGGEST BOOM SINCE HYSTERICAL DAYS OF WORLD WAR ACTIVITY—DECLINE OF YEN, COUPLED WITH FAILURE OF DOMESTIC PURCHASING POWER TO INCREASE PRICES AND WAGES AT HOME, RESPONSIBLE FOR EXPANDING MARKETS IN OVERSEAS COUNTRIES—ALMOST ANY LINE NOW ABLE TO COMPETE**

TOKYO, Thursday, December 1, 1932.—Japan's export trade is booming as never since the World War. The full force of the decline of the yen is commencing to be felt. Importers in foreign lands are becoming convinced of the advantage of carrying Japanese lines and are rushing to get Japanese connections. This is the golden age of the Japanese exporter—the golden age of the importers who deal with them.

#### FIELD STILL NEW

The export field is still so new for hundreds of Japanese products that there are profits for everyone on both ends. Throughout the world importers are trying to get in touch with Japanese exporters. Except in the bulk lines it is not important that they get the cheapest Japanese producer, for there is little likelihood that enough Japanese houses will ship their goods into that territory to compete against each other. That is, for the time being. The same rule applies to exporters. They can find good business almost anywhere if they go about getting it in the proper manner.

One fact stands out very sharply from the foreign-trade figures and from the information which flows into The Trans-Pacific. That is that nations formerly supplied by western and central Europe are now turning more and more to Japan for their supplies. This applies along the whole stretch of Southern Asia from Singapore to the Balkans, in the Balkans, Spain, Portugal, all Northern Africa, Australia, New Zealand, and Oceania generally. South and Central America (except Argentina and Brazil) have been a little slow to fall in line, due in large part to the exchange and import control regulations which are in force in most Latin-American countries.

The same kind of thing is now operating to check the expansion of trade in some Balkan countries; but the probabilities seem to be that, with more and more of them defaulting on their foreign obligations and with the necessity of holding up exchange no longer so intense, they will remove these regulations and allow their exchanges to slip to levels which truly reflect their industrial strengths. Many of them have been fighting the losing battle of deflation for years in efforts to pay off debts contracted when the purchasing power of gold was low. Now that they have given up this battle, the course of wisdom would seem to be to stop pegging exchange and to let foreign trade run untrammelled. This is one of the most hopeful possibilities in the world situation. The foreign trader should pray for defaults of such loans, for they are apt to lead to removal of restrictions on international commerce. Removal of these restrictions is apt to lead to world recovery.

Mr. FESS. Mr. President—

The VICE PRESIDENT. Does the Senator from West Virginia yield to the Senator from Ohio?

Mr. HATFIELD. I yield.

Mr. FESS. The Senator is talking on such a live subject now, and its importance is so intensified by the depreciation of the currency of Great Britain, that I want to call his attention to the price of the pound to-day. The reports show that the pound is quoted to-day at \$3.39. That is just \$1.48 below par, or represents a fall of 30 per cent. So that if Great Britain is producing an article at a cost of

\$1, and we are producing it at a cost of \$1.30, we would have to put a tariff of 30 per cent on that article in order to prevent Great Britain from underselling us. We put the tariff on and she will have to pay the 30 per cent, but she depreciates her currency just 30 per cent, and therefore, even with the tariff, she will be able to compete with us, under the present conditions. With the pound quoted at \$3.39, when par is \$4.87, with the currency thus depreciated, she could pay the tariff of 30 per cent and still ship into American ports.

Mr. HATFIELD. That is correct, and I thank the Senator for his contribution.

Mr. President, the statement which has just been read from this publication should satisfy any American as to the necessity for immediate action and for legislation which will protect our country from being the dumping ground of the products of the Japanese coolies.

Incidentally, at this point, Mr. President, I desire to call the attention of the Senate to a discussion which took place here only a short time ago. Many Members of this body expressed the sentiment that the people of the Philippines were not sufficiently literate to be able to take care of their people. While the American Congress itself has hesitated, yes, has declined, to pass remedial legislation to protect our workers and our industries from the devastating effects of depreciated currency the Philippine government has acted.

I note that last November the Philippine Legislature, the native government of the Philippines, enacted legislation which placed a tax on the imports into the Philippines from the countries the currencies of which have depreciated, so that the Philippine Islands are not the dumping ground of their neighboring Asiatics.

In order that those who read the RECORD may see for themselves the wisdom displayed by the Philippine Legislature I desire to have printed at this point in my remarks a copy of the action taken by the Philippine Legislature.

The VICE PRESIDENT. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

#### NINTH PHILIPPINE LEGISLATURE SECOND SESSION

An act to amend sections 6, 16, 17, and 18 of the act entitled "An act to raise revenue for the Philippine Islands, and for other purposes," approved by the Congress of the United States on August 5, 1909

Be it enacted by the Senate and House of Representatives of the Philippines in legislature assembled and by the authority of the same:

SECTION 1. Section 6 of the act of Congress of the United States of August 5, 1909, entitled "An act to raise revenue for the Philippine Islands, and for other purposes," is hereby amended to read as follows:

"Sec. 6. Payment and liquidation of duties: That the rates of duty established in this act are stated in money of the United States of America, but that payment thereof shall be made in Philippine currency or its equivalent in money of the United States of America on the basis of the liquidated value as herein provided.

"In the liquidation of duty, the currency of the invoice will be reduced to the money of account of the United States upon the basis of the following values of foreign money, any provision of law, regulation, or order to the contrary notwithstanding:

Country	Unit	Value in Philippine currency	Equivalent in United States currency
Argentina.....	Gold peso.....	P1. 9296	\$0. 9648
Australia.....	Pound sterling.....	9. 7330	4. 8665
Austria.....	Schilling.....	. 2814	. 1407
Belgium.....	Belga.....	. 2780	. 1390
Bolivia.....	Boliviano.....	. 7300	. 3650
Brazil.....	Gold milreis.....	1. 0624	. 5462
British Honduras.....	Dollar.....	2. 0000	1. 0000
Bulgaria.....	Lev.....	. 0144	. 0072
Canada.....	Dollar.....	2. 0000	1. 0000
Chile.....	Gold peso.....	. 2434	. 1217
China.....	Dollar (Yuan).....	. 8806	. 4403
Do.....	Dollar (Mexican).....	. 9004	. 4502
Do.....	Halkwan tael.....	1. 3828	. 6914
Colombia.....	Peso.....	1. 9466	. 9733
Costa Rica.....	Colon.....	. 9306	. 4653



Country	Unit	Value in Philippine currency	Equivalent in United States currency
Cuba	Dollar (peso)	P2.0000	\$1.0000
Czechoslovakia	Krone	.0592	.0296
Denmark	do	.5360	.2680
Dominican Republic	Dollar	2.0000	1.0000
Ecuador	Sucre	.4000	.2000
Egypt	Pound Egyptian	9.8862	4.9431
Finland	Markka	.0504	.0252
France	Franc	.0784	.0392
Germany	Reichsmark	.4764	.2382
Great Britain	Pound sterling	9.7330	4.8665
Greece	Drachms	.0260	.0130
Guatemala	Quetzal	2.0000	1.0000
Haiti	Gourde	.4000	.2000
Holland	Guilder or florin	.8040	.4020
Honduras (Republic)	Lempira	1.0000	.5000
Hongkong	Dollar	.8938	.4469
Hungary	Pengö	.3498	.1749
India (British)	Silver rupee	.7300	.3650
Indo-China	Plaster	.7336	.3618
Italy	Lira	.1052	.0526
Japan	Yen	.9970	.4985
Mexico	Peso	.9970	.4985
Newfoundland	Dollar	2.0000	1.0000
New Zealand	Pound sterling	9.7330	4.8665
Nicaragua	Cordoba	2.0000	1.0000
Norway	Krone	.5360	.2680
Panama	Gold balboa	2.0000	1.0000
Paraguay	Peso	1.9296	.9648
Persia	Rial	.0974	.0487
Peru	Sol	.4000	.2000
Poland	Zloty	.2244	.1122
Portugal	Escudo	.0884	.0442
Rumania	Leu	.0120	.0060
Russia	Ruble	1.0292	.5146
Salvador	Colon	1.0000	.5000
Siam	Gold-silver Tical	.8848	.4424
Spain	Peseta	.3890	.1930
Straits Settlements	Silver dollar	1.1356	.5678
Sweden	Krona	.5360	.2680
Switzerland	Franc	.3860	.1930
Turkey	Plaster	.0880	.0440
Uruguay	Peso	2.0684	1.0342
Venezuela	Bolivar	.3860	.1930
Yugoslavia	Dinar	.0352	.0176

"Whenever merchandise imported into the Philippine Islands is invoiced in the currency of the United States or of the Philippine Islands, such currency must be converted back into the proper foreign currency at the buying rate of exchange as determined and certified by the Federal Reserve Bank of New York and published by the Secretary of the Treasury of the United States, and then be reconverted into the currency of the United States or of the Philippine Islands at the value of the said foreign currency as hereinabove provided.

"The Governor General, upon recommendation of the Secretary of Finance, may, by proclamation, fix for the purposes of this act the value in Philippine currency, and its equivalent in money of the United States of America, of the value of the currency or currencies of foreign countries when said value is changed or is not covered herein."

SEC. 2. Section 16 of the same act of Congress of August 5, 1909, is hereby amended to read as follows:

"Sec. 16. That all invoices of articles, goods, wares, or merchandise to be imported into the Philippine Islands shall set forth—

"(a) The place where, the date when, and the person by whom the merchandise is sold, or if to be imported otherwise than in pursuance of a purchase, the place from which shipped, the date when, and the person by whom it is shipped;

"(b) The port of entry to which the merchandise is destined and the person to whom the merchandise is sold or shipped;

"(c) A detailed description of the merchandise in tariff terms of this act, including the name by which each item is known, the quantity, grade or quality, true number, mark, weight, or symbol under which sold by the seller or manufacturer, together with the marks and numbers of the packages in which the merchandise is packed;

"(d) The purchase price or true value of each item in the currency of the purchase and in the unit of quantity in which the merchandise is usually bought and sold in the place or country of origin, if the merchandise is shipped in pursuance of a purchase or an agreement to purchase;

"(e) If the merchandise is shipped otherwise than in pursuance of a purchase or an agreement to purchase, the value for each item in the unit of quantity in which the merchandise is usually bought and sold, and in the currency in which the transactions are usually made, or, in the absence of such value, the price which the manufacturer, seller, shipper, or owner would have received, or was willing to receive, for such merchandise if sold in the ordinary course of trade and in the usual wholesale quantities in the country of origin;

"(f) All charges upon the merchandise, itemized by name and amount when known to the seller or shipper; or all charges by name (including commissions, insurance, freight, cases, containers, coverings, and cost of packing) included in invoice prices when the amount for such charges are unknown to the seller or shipper;

"(g) All discounts, rebates, drawbacks, and bounties, separately itemized, allowed upon the exportation of the merchandise; and

"(h) Any other facts deemed necessary to a proper appraisal, examination, and classification of the merchandise that the insular collector of customs may require.

"Every invoice shall be made in quadruplicate and signed by the owner or shipper, if the merchandise has been actually purchased, or by the manufacturer or owner thereof, if the same has been procured otherwise than by purchase, or by the duly authorized agent of such purchaser, manufacturer, or owner."

SEC. 3. Section 17 of the same act of Congress of August 5, 1909, is hereby amended to read as follows:

"Sec. 17. That except in case of personal effects accompanying a passenger as baggage, or arriving within a reasonable time before or after the owner, no importation of any articles, goods, wares, or merchandise, exceeding \$100 in dutiable value, shall be admitted to entry without the production of a duly certified invoice of the kinds hereinafter described, or the filing of an affidavit made by the owner, importer, or consignee before the collector of customs, showing why it is impracticable to produce such invoice, together with a bond in an amount to be prescribed by, and with sureties satisfactory to, the collector of customs, for the production of such invoice within a reasonable time to be prescribed by said official. In the absence of such invoice, no entry shall be made upon the aforesaid affidavit unless the same be accompanied by a statement in the form of an invoice, or otherwise, showing the actual cost of such merchandise in the currency of the purchase, if same was purchased, or if obtained otherwise than by purchase, the actual market value or wholesale price thereof at the time of exportation to the Philippine Islands in the principal markets of the country from whence imported and in the currency in which the transactions are usually made. This statement shall be verified by the oath of the owner, importer, consignee, or agent desiring to make the entry, taken before the collector of customs, and it shall be lawful for that official to examine the deponent under oath regarding the source of his knowledge, information, or belief concerning any matter contained in his affidavit, and to require him to produce any correspondence, document, or statement of account in his possession, or under his control, which may assist the customs authorities in ascertaining the actual value of the importation or of any part thereof; and in default of such production when so required, such owner, importer, consignee, or agent shall be thereafter debarred from producing any such correspondence, document, or statement for the purpose of avoiding the imposition of additional duty, penalty, or forfeiture incurred under this or any other act in force in the Philippine Islands, unless he shall show to the satisfaction of the court or the collector of customs, as the case may be, that it was not in his power to produce the same when so demanded; but no articles, goods, wares, or merchandise shall be admitted to entry under the provisions of this section unless the collector of customs shall be satisfied that the failure to produce the required invoice is due to causes beyond the control of the owner, importer, consignee, or agent."

SEC. 4. Section 18 of the same act of Congress of August 5, 1909, is hereby amended to read as follows:

"Sec. 18. That invoices required by the preceding section shall, at or before the shipment of the merchandise, be produced to the consul, vice consul, or commercial agent of the United States of the consular district in which the merchandise was manufactured or purchased, as the case may be, when importation into the Philippine Islands is from a country other than the United States of America, or any Territory or place under the jurisdiction and control of the Government thereof: *Provided*, That the insular collector of customs may, in his discretion, dispense with the requirement for the consular invoices prescribed in this section in case the merchandise for which entry is sought is free of duty under this act, in which event a commercial invoice certified by the purchaser, manufacturer, seller, owner, or agent shall be filed: *And provided further*, That when the importation is from the United States of America, or any Territory or place under the jurisdiction and control of the Government thereof, production shall be to a collector of customs, deputy collector of customs, or United States commissioner.

"Invoices shall have indorsed thereon when produced as above prescribed a declaration signed by the purchaser, manufacturer, seller, owner, or agent setting forth that the invoice is in all respects correct and true and was made at the place from whence the merchandise is exported to the Philippine Islands; that it contains, if the merchandise was obtained by purchase or an agreement to purchase, a true and full statement of the date when, the place where, the person from whom the same was purchased, and the actual cost thereof, and of all charges thereon; and that no discounts, bounties, or drawbacks are contained in the invoice except such as have been actually allowed thereon; and when obtained in any other manner than by purchase, or an agreement to purchase, the actual market value or wholesale price thereof, at the time of exportation to the Philippine Islands, and the principal markets of the country from which exported; that such actual market value is the price at which the merchandise described in the invoice is freely offered for sale to all purchasers in said markets, and that it is the price which the manufacturer, seller, owner, or agent making the declaration would have received and was willing to receive for such merchandise sold in the ordinary course of trade in the usual wholesale quantities, and that it included all charges thereon; that the numbers,



weight, or quantity stated is correct, and that no invoice of the merchandise described differing from the invoice so produced has been or will be furnished to anyone.

"If the merchandise was actually purchased, or shipped otherwise than in pursuance of a purchase or an agreement to purchase, the declaration shall also contain a statement that the amount shown is that which was actually paid, or the price that the shipper would have received, or was willing to receive, for such merchandise, and that the currency stated in such invoice is the currency of the purchase, or in which the transactions are usually made."

SEC. 5. Upon the express or implicit approval of this act by the President of the United States, as provided in the act of Congress approved on August 29, 1916, entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands," the Governor General shall so announce forthwith, by means of a proclamation, and this act shall take effect on the date of such proclamation.

Approved:

\_\_\_\_\_  
President of the Senate.

\_\_\_\_\_  
Speaker Pro Tempore of the  
House of Representatives.

This act, which originated in the Philippine Senate, was finally passed by the same on November 7, 1932.

\_\_\_\_\_  
Secretary of the Senate.

Finally passed by the House of Representatives on November 7, 1932.

\_\_\_\_\_  
Secretary of the House of Representatives.

Approved.

\_\_\_\_\_  
Governor General.

Approved.

\_\_\_\_\_  
President of the United States.

DECEMBER 17, 1932.

[Item clipped from Commerce Reports, January 7, 1933, page 12]  
PHILIPPINE ISLANDS—ANTIDUMPING AND OTHER TARIFF LEGISLATION  
EFFECTIVE—IMPORT DUTIES ON CERTAIN FOODSTUFFS AND SHOES  
INCREASED

According to a radiogram from Trade Commissioner E. D. Hester, Manila, the Governor General of the Philippine Islands proclaimed, effective on December 21, four tariff measures recently enacted by the Philippine Legislature and approved by the President, providing for (1) the assessment of ad valorem duties on the basis of the par value of foreign currencies instead of the current exchange value; (2) the imposition of special or dumping duties, under certain conditions, on goods imported from countries other than the United States; (3) the removal of the limitation of a maximum duty of 100 per cent ad valorem, with certain exceptions; and (4) increases in the import duties on meat, lard, and lard substitutes, including peanut oil and eggs. A fifth measure, also promulgated on December 21 and effective 30 days thereafter, or on January 20, 1933, increases the duties on certain boots and shoes.

#### DEPRECIATED CURRENCY AND "DUMPING" LEGISLATION

The declared purpose of the measure basing ad valorem duties on the par value of foreign currencies is to protect the insular revenue from import duties which have gradually declined, due mainly to the low prices of imported commodities on account of the depreciated currencies in many foreign countries.

For the declared purpose of protecting Philippine industries against "dumping" and to discourage unfair practices or methods in the import trade, the new antidumping act provides—after investigation by a board composed of the insular collector of customs, the collector of internal revenue, and the director of commerce and industry—for the imposition of special duties equal to the difference between the purchase or export price and the foreign home market value, in addition to the ordinary duty, on imports from foreign countries which are proven to be injurious to efficient and economically operated Philippine industries, or which prevent the development of newly established industries, or which restrain or monopolize trade in the Philippine Islands, or involve unfair methods of competition.

[Products of the United States shipped direct to the Philippine Islands under a through bill of lading are admitted duty free in return for corresponding treatment to Philippine goods entering the United States.]

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. FLETCHER. The Senator will recall that the tariff act of 1922, and also the tariff act of 1930, carried section 338, under the title "Discrimination by foreign countries." My understanding is that that section never has been invoked, that nothing has been done under it. Why has not something been done? In case of discrimination against the

United States, the President has authority to raise tariff duties.

Mr. HATFIELD. Mr. President, I am unable to answer the interrogation of the able Senator from Florida, but it is a timely one, and I yield to the able Senator from Utah.

Mr. SMOOT. Mr. President, I do not think the part of the tariff act referred to by the Senator from Florida would apply to England on account of her depreciated pound. We take no notice of the value of the money of any country in establishing tariff rates. They are supposed to apply to all countries alike, and they are not based upon the value of the money of any country. Whatever change may take place, there is no provision in any of our laws that I know of under which we could impose additional duties against any country which has a depreciated currency without legislation. We would have to have legislation before that could be effected.

I might add that we will have to have legislation along such lines or the industries of our country will be ruined, and the sooner we enact the legislation the better it will be for the industries of the United States.

Mr. FLETCHER. Mr. President, section 338 is quite an important provision in the law of 1922 and that of 1930, calling for equality of tariff treatment, and giving the President the power to see to it that we have equality with other nations under the tariff laws. The only two important countries that have ever entered into such agreements have been Germany and Italy, and I believe Bulgaria lately entered into some such agreement. But we have not enforced that provision of the law as to the other countries at all.

Mr. SMOOT. Mr. President, the value of the pound sterling is the same in all countries; therefore it can not be said to be a discrimination against us. Because the currencies are of the same value in all countries, we can not enforce the provision of law as to increased duties against countries whose money has depreciated in value.

Mr. HATFIELD. Mr. President, while this action on the part of the Philippines justifies the action by those on this floor who voted to give the Philippines their independence, the action taken by the Philippine Legislature only followed the action of many foreign governments, namely, France, Germany, Australia, and others.

I ask permission to have included in the RECORD a statement showing the action taken by the various countries.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

#### ANTIDUMPING LEGISLATION

Argentina: When the competition of foreign products favored by (foreign) legislation, rate of exchange, low wages, forced labor, or any other form of "dumping" is harmful to Argentine production, and consequently, in the opinion of the executive, immediate modification in the customs tariff is desirable, the executive may temporarily apply such new or higher import duties as are proposed by the Minister of Agriculture, subject to their confirmation, reduction, or abolition by the National Congress. (Argentine Executive Decree No. 1033 of August 8, 1931.)

Australia: The Minister of Trade and Customs may impose antidumping duties, after inquiry and report by the tariff board and upon notification in the Government Gazette, specifying the goods to which the duty is to apply, in the following instances:

(d) If goods from countries having depreciated exchanges are being sold to Australian importers at export prices which will be detrimental to an Australian industry.

(e) If goods from countries having depreciated exchanges are being sold to Australian importers at export prices less than the fair market values of similar goods in the United Kingdom.

(f) If imported goods are being sold to an importer in Australia which were manufactured wholly or in part from material supplied from any country whose currency has depreciated by comparison with the currency of the country to which the material was supplied, and that the manufactured goods are being sold to an importer in Australia at a price below the price at which the same goods could have been manufactured in the country of manufacture if made from material of such country of manufacture and allowing for a reasonable profit. (Australian industries preservation act of 1921.)

Belgium: (3) To apply maximum or intermediate duties temporarily when national industry is endangered by competition made possible by monetary depreciation in a foreign country.

Czechoslovakia: Under a law enacted June 24, 1920, the Minister of Commerce is given authority to require licenses for imports and exports and to establish the fees for such licenses.



## COUNTERVAILING DUTIES

If goods imported into Czechoslovakia from any country menace the national production through unfair competition resulting from special governmental dispositions of any kind, or resulting from depreciated currency, adequate measures shall be taken for the indispensable protection of domestic production, and, in particular, by fixing a special duty or a surtax or by limiting importation.

France: A presidential decree of August 1, 1931, establishes the principles of customs surtaxes to compensate for the advantages accruing to foreign countries whose exchange rates have depreciated and whose goods, expressed in value of the franc, have become cheaper than before, thus creating greater competition with French-made goods.

Germany: A recent emergency decree of the President, effective January 19, 1932, authorizes the Reich Government, in case of urgent economic necessity, to impose "compensatory duties" on individual commodities or groups of articles originating in countries with currencies below gold parity.

Mr. HATFIELD. Mr. President, it may interest some Members of the Senate, incidentally, to know that while Canada is a member of the British Empire and by treaty gives preference in the Canadian markets to the products of Great Britain, Canada, to protect her home industries and the employment opportunities of her own people, took prompt action which placed a tax equivalent to the difference in gold value of English money on imports of England entering into Canada.

I sometimes wonder, Mr. President, why our Nation has been as successful as it has been. We are generally considered a forward-looking people. Yet, as I have pointed out in these remarks, in the case of the nitrogen industry, an industry absolutely necessary for the protection of home and country, we and Egypt are the only countries that permit the importation of foreign-produced nitrogen products without restriction.

To prove my contention that this form of dumping is made possible by the depreciation of foreign currencies and to show its effects upon American industries, I will cite some concrete illustrations, with facts taken from Government records.

The imports of iron and steel products also witness to the destructive effects of low-priced foreign competition. To illustrate:

In 1930, imports of steel bars, valued not over 1½ cents per pound, amounted to 49,562,083 pounds, at a unit price of 1.3 cents per pound. In the fiscal year 1932 imports amounted to 174,415,662 pounds, with the unit price down to eight-tenths of 1 cent per pound.

Imports of hoop-band iron rose from 32,215,295 pounds in 1931, at a unit price of 1.2 cents, to 47,811,531 pounds, with a unit price down to 1 cent per pound.

The last example is in the cost of steel sheets and plates, valued not over 1.5 cents per pound, which jumped from 3,188,993 pounds, with a unit price of 1.3 cents, in 1930, to 24,711,911 pounds, with a unit price of eight-tenths of 1 cent per pound. These figures are all for fiscal years.

The seriousness of the situation is demonstrated by what occurred in 1931, when 370,000 net tons of imported steel caused the loss of a week's work to 237,000 men in the steel industry, and 37,000 coal miners, and the loss in revenue and wages to the railroads of transporting approximately 55,000 cars.

Not only that, Mr. President, but the steel industry has been operating as best it could, taking the industry as a unit, all through the year 1932; and I am reliably informed that during the first quarter's operation of the steel industry as a whole they sustained a net loss of \$30,000,000, and that that loss continued through the other quarters until to-day the steel industry of the United States stands a loser because of an effort to operate for the purpose of feeding their employees to the extent of more than \$120,000,000.

Mr. President, the people of my State are dependent to a great extent on the success of the American pottery industry. It is interesting to note that for the 8-month period, January to August, of 1932, Japan, with her exports to the United States of 2,237,000 dozen pieces, furnished 84 per cent of our total imports of china tableware; and on decorated earthenware for table use Japan also leads the parade

of foreign nations dumping their products into the American market, supplying 49.6 per cent of our total importation.

How imports from countries with a debased currency are destroying opportunities for operation of American plants and employment of American workers may be judged from statistics available through the Treasury Department.

When the tariff act was enacted in 1930 the average unit value of imports of decorated chinaware from Japan was 73 cents per dozen pieces. Imports of these same articles at the present time are being landed at an invoice value of 23 cents per dozen pieces. The Japanese importations in 1930 furnished some 40 per cent of the total American consumption of these articles. American industry and American workers competing with the products invoiced at 73 cents per dozen pieces had a hard time to exist. With these articles landed in our country at an invoice value of some 20 cents per dozen pieces, I do not need to emphasize how impossible it is for American industries to operate or for American workers to obtain employment.

The facts I have just cited, while specifically true of pottery, are likewise true of many other American industries, the products of which are forced to compete in the American market with the products from those countries which have debased their currency.

Another illustration which typifies my contention that the foreign nations now on the gold basis will be driven out of the American market and our market dominated by the products of Japan is the case of toothbrushes. For the first eight months of 1932 we imported from Japan 10,901,000 toothbrushes, which represented 98 per cent of our total importations. Incidentally the unit value of these toothbrushes has decreased some 50 per cent.

These are the toothbrushes that persons who patronize the chain stores have been buying for several years for 10 cents each. American producers have been able, with volume production, to meet some of the competition of the Japanese so long as the American chain stores were satisfied with a reasonable profit. But the American producers can not compete with Japanese toothbrushes having a declared invoice value of less than 2 cents per brush.

Also, during these first eight months of 1931, there were imported from Japan into the United States, when Japan was on the gold standard, some 430,000 pounds of tuna and other fish in oil, valued at \$88,000.

For the same period of 1932, with Japanese currency valued in gold at less than one-half its normal value, we imported 2,860,000 pounds at a value of \$382,000, an increase in quantity importation of more than 550 per cent, with a decrease in unit value of some 35 per cent.

We imported from Japan 319,000 pounds of cod, haddock, hake, and pollock, valued at \$20,000. For the same period in 1932 we imported more than 700,000 pounds of these same fish with a value of approximately the same amount, namely, some \$21,000, an increase in quantity importation of more than 120 per cent, and a decrease of unit value of more than 50 per cent.

With reference to importations of fish, it is important to note that we imported from Denmark, another country off the gold standard, for the first eight months of 1931, some 63,000 pounds of cod, haddock, hake, and pollock, with a value of \$3,200. For the same period of 1932 we imported from Denmark some 2,400,000 pounds of this same type of fish valued at \$55,000. The debasing of the Danish currency permitted these 2,400,000 pounds of fish to be landed in America at about 2 cents a pound. The increase in quantity importations of this fish from Denmark for the eight months of 1932, as compared with the same period of 1931, was 3,700 per cent, and a unit value decrease of 55 per cent.

The first eight months of 1931 we imported from Portugal some 2,967,000 pounds of sardines, with a value of \$488,000. For the same period of 1932, with Portuguese currency greatly depreciated in value, we imported 5,947,000 pounds of sardines, valued at \$555,000, an increase in quantity importation of more than 100 per cent, with a decrease in unit value of some 44 per cent.



We imported from Norway during the first eight months of 1931, 12,900,000 pounds of sardines, at a value of \$1,600,000. For the same period of 1932, with Norwegian currency greatly depreciated in value, we imported 19,600,000 pounds of sardines, at a value of only \$1,567,000, an increase in quantity importation of more than 50 per cent and a decrease in unit value of some 48 per cent.

For the first eight months of 1931, when Canadian currency was on a gold basis, we imported, in air-tight containers, from Canada some 93,000 pounds of fish, valued at \$11,000. For the same period of 1932 we imported from Canada, with Canadian currency depreciated in value, 4,430,000 pounds of fish, valued at \$200,000, an increase in quantity importations of more than 4,600 per cent and a decline in unit value of some 64 per cent.

For the first three or four months of 1932, we imported from Great Britain ten times more cotton velvets and velveteens than we imported for the same period the previous year. While the importations increased more than 1,000 per cent the unit value decreased almost 50 per cent.

Mr. President, these figures explain why the American fish industry of the Atlantic, the Pacific, and our Gulf coast States lies prostrate. They also explain why these men send messages to the Congress of the United States. They also explain why these men directed their messages to me, for the reason, Mr. President, that in April, 1932, I portrayed this picture about what depreciated currency would do to American labor and to American industry.

For the first eight months of 1931 we imported from Great Britain a total of some 14,764,000 pounds of cement, at a value of some \$56,000. For the same period in 1932, with English currency depreciated 30 or more per cent in value, we imported 54,866,000 pounds, at a value of \$104,000, an increase in quantity of importations of 276 per cent and a decrease in unit value of 50 per cent.

The American cost of producing cement, as shown on page 16 of the report of the United States Tariff Commission, was 31.7 cents per hundredweight, or some 40 per cent more than the value of the cement dumped into our markets.

From Japan we imported for the first eight months of 1931, while she was on a gold basis, 1,074,000 pairs of footwear with fabric uppers, valued at \$138,000. For the same period of 1932 we imported from Japan, with Japanese currency greatly depreciated in value, some 2,467,000 pairs of these shoes, at a value of \$250,000, an increase in quantity importations of some 130 per cent, and a decrease in unit value of 20 per cent.

Mr. President, the rubber-specialty industry of America to-day is almost out of existence because of depreciated currency products that come here from Japan. Unless the Congress does something, and that, too, in the very near future, to relieve the situation, it means the closing up of this industry in America altogether and the loss of jobs for some 25,000 people who are at the present time employed either part of the time or for the entire time.

During the first eight months of 1931, while Japan was on the gold standard and the yen valued at approximately 50 cents gold, we imported twenty-seven and one-half million metal-filament electric lamps, valued at some \$650,000. For the same period of 1932, with Japan off the gold standard and her currency debased to a point where the Japanese yen was worth in gold less than half its value, we imported from Japan more than 73,000,000 of these same metal-filament electric lamps, valued at less than \$840,000, an increase in quantity importation of 160 per cent, with a decrease in unit of value of more than 50 per cent.

Mr. President, there are many Members of the Senate who have contended that our importations represent only a small portion of the domestic consumption of the type of articles imported. This is sometimes true. However, it is a well-known fact that foreign producers, offering to deliver comparable articles at prices which are below the American costs of production of similar articles, deprive American industries of those orders which are necessary to keep the wheels of industry going.

Under our present system of basing tariff duties on foreign values, and with countries debasing their currencies, some as high as 60 per cent of their normal gold value, it might interest some Members of the Senate to know the percentage of some of our imports which are coming into our country from the Asiatic countries with currency debased as high as 60 per cent.

For their benefit I have compiled a list of the imports of some commodities and the countries from which these commodities come. It is true that some of these countries, such as France, Czechoslovakia, and Germany, are still on the gold basis, and their currency, at least for the time being, is selling at its normal par value. However, it is my contention, Mr. President, that these countries can not much longer continue to export in competition with the countries which are off the gold standard. As evidence of this fact let me cite the situation in the rubber boot and shoe industry and canvas-top footwear.

Prior to 1930 our imports of rubber-soled footwear with fabric uppers and rubber boots and shoes from Czechoslovakia and Japan were trivial. For the first eight months of 1931 imports of Czechoslovakian-made rubber boots and shoes undersold in the American market the products of Japan. Both countries were then on the gold basis. The imports of these same articles for the first eight months of 1932, with Czechoslovakia on the gold basis and Japan on a depreciated-currency basis, tell a story which to my mind is indicative of what will happen in many other instances unless we can find a way to prevent the dumping of products from nations which have debased their currencies into our home markets.

We imported for the first eight months of 1932, 2,204,970 pairs of rubber-soled footwear, of which Japan supplied 76.09 per cent and Czechoslovakia 22.09 per cent.

In the importation of all rubber-soled boots and shoes I find that Czechoslovakia furnished 71.03 per cent, while Japan supplied 13.07 per cent; and I am informed by representatives of the American rubber boot and shoe industry that to-day these articles, the product of Japan, are underselling in the American market the products of Czechoslovakia to such an extent that while for the first eight months of 1932 these articles, the products of Japan, furnished less than 14 per cent of our imports; that for the first eight months of 1933 our imports of rubber boots and shoes from Japan will represent close to 100 per cent of our importations.

Another illustration worthy of the attention of those interested in textiles is the fact that for the first eight months of 1932 Japan, with her currency depreciated some 60 per cent, furnished 94.02 per cent of our importations of silk handkerchiefs and mufflers.

In the importations of electric lamps for the first eight months for 1932 I find that the importations from Japan represent 99.04 per cent of our total importations.

In the importation of canned tuna fish I find that Japan furnished 83.08 per cent of the importations.

In the importations of some 3,000,000 yards of "hit and miss" rugs I find that Japan furnished the entire amount.

In the importations of crab meat, crab sauce, and crab paste I find that Japan furnished 84.05 per cent, Soviet Russia 14.06 per cent, and Canada less than 1 per cent.

Unemployment is the net result of this influx of foreign goods from countries of depreciated currency, and there is certainly no hope to save the situation so long as we remain duped and in the grasp of the un-American importer.

The sad part of this inrush of foreign selling in our midst is the upheaval of all that is sound and basic for our own development. It is the uprooting of initiative among our citizens.

Those who can sense the evils inherent in this avalanche of foreign goods know full well that intensive liquidation of our securities must soon get under way. Though our citizens have suffered at the hands of international bankers and have seen their securities drop to 25 to 30 per cent of



their former value, they must now be prepared to suffer far more from imported products from countries with debased currency and witness a further drop of almost all securities unless the Congress will act to protect our home markets. If we permit the clever foreigner to continue this inflow for one full year, the victory will be his.

Will another year be required for a hesitant Congress to right the matter, and thus, with two years to the advantage of the foreign nations, can any American organization hope to catch up?

We have the ability and the technique to progress as rapidly and as securely as any nation on earth, but in our form of government there is no security against attacks from without save through a protective-tariff wall. Let us attend to the leaks and assure our citizenry that they have the backing of this Government in every progressive effort. Let us go forward as one man, regardless of political affiliations, and do that which is necessary and which is patriotic to save the industries of this country and to reclaim and underwrite the jobs of Americans who are now looking for employment when there is none to be found.

When such ends shall be attained and American goods shall be everywhere in good supply and at no exorbitant profits, then we shall have peace and happiness; American zeal will pervade the entire country, our citizens will be encouraged in prosecuting every new discovery for the betterment of agriculture and industry and of the Nation as a whole.

Mr. President, I yield to the distinguished Senator from Ohio.

Mr. FESS. Mr. President, I had intended to ask the Senator to yield in order that I might read an editorial by Major McKinley in 1890, but I think I shall ask that it may be printed in the *RECORD* without reading.

The VICE PRESIDENT. Without objection, it is so ordered.

The editorial is as follows:

[From the Evening Repository]  
HISTORY REPEATS ITSELF

Protection was never stronger than it is at this hour. And it will grow in strength and in the hearts of the people. It has won in every contest before the people, from the beginning of the Government.

It is a significant historical fact that whenever there has been a well-defined battle in this country between protection and revenue tariff, protection has triumphed. It will always be so, so long as we have a free ballot.

The elections this year were determined upon a false issue. A conspiracy between importers, many of whom were not even citizens of the United States, and the free-traders of this country, to raise prices and charge it upon the McKinley bill, was successful. But conspiracies are short lived and soon expire. This one has already been laid bare, and the infamy of it will still further appear. Merchants are already advertising, now that the election is over, to sell at even lower prices than before the passage of the McKinley bill. The trick has won this time. The conspiracy has triumphed. But the people who have been duped will not forget. Nor will the friends of protection lower their flag or raise the British flag. The result this year is but history repeating itself. Every great measure for the benefit of the people and the country, passed immediately before an election, has been temporarily disastrous to the party responsible for it.

The proclamation of emancipation, the fourteenth and fifteenth amendments to the Constitution, measures of incalculable value to mankind, measures of justice and right, giant steps for humanity, were followed by disaster, for the time, to the party in power. The great resumption act which brought this country to a sound currency produced disaster to the party in power. So with every great measure which time alone can vindicate. Passion and prejudice, ignorance, and willful misrepresentation are masterful for the hour against any great public law. But the law vindicates itself, and a duped and deceived public reverse their decrees made in the passion of the hour.

So will it be with the tariff law of 1890. Increased prosperity, which is sure to come, will outrun the maligner and vilifier. Reason will be enthroned and none will suffer so much as those who have participated in misguiding a trusting people. Keep up your courage. Strengthen your organizations and be ready for the great battle in Ohio in 1891, and the still greater one in 1892. Home and country will triumph in the end. Their enemies, whether here or abroad, will never be placed in permanent control of the government of Washington, of Lincoln, and of Grant.

REMARKS UPON CONSULTATIONS REPORTED ON THE FOREIGN DEBTS

Mr. LEWIS. Mr. President, while I have not the technical knowledge that would enable me to appreciate in com-

pleteness many of the chemical illustrations given by the eminent Senator from West Virginia [Mr. HATFIELD], I am satisfied that all who have heard his immediate discourse recognize the amount of histrionic ability and splendid scientific attainment it has demonstrated. I rise to discuss in a few moments a matter somewhat foreign to his splendid presentation yet a subject which I feel at this time is wholly appropriate.

Mr. President, this honorable body became greatly confused and likewise found itself involved in something of an inextricable embarrassment as the result of a sudden action upon a so-called moratorium. That sudden action was precipitated by telegrams shot forth from the President of the United States in the summer of 1931 addressed to different Members of the Senate who—the Senate then being in recess—were at their respective homes. Feeling that the President was advised wisely, and conscious, as we now are, that he would not intentionally mislead us, his propositions were acceded to, and the Senators found themselves returned to their duties bound by something of an agreement which, in point of honor, estopped them from taking a contrary point of view, even though they found the facts surrounding the subject to be wholly at variance with, if not in contradiction to, what the distinguished President believed—certainly to what he presented.

Mr. President, to-day we are on the eve of repeating that folly. It will be remembered that in his quizzical strange philosophy Shakespeare has the servant express when beholding a young man stranger accompanying his friend, says—

Is this your son, my lord?

Adverting to the manners of the younger, concluded—

It was not seeming to me that such could be.

At this particular moment, sir, it is not seemly that we could repeat the same form of error and take as our offspring this apparent heir as now haunts us. Sir, from this visitation the possibility of error is so evident in great statecraft that I am compelled to make an allusion to it. I do so as early as possible in the discharge of what I feel to be my duty as an American, and, may I add, my obligation to my constituency as a Senator. I am just now handed, by a fellow Senator, two of the influential press with startling announcements. We gather from the immediate press that consultations by an eminent ambassador of one of the great countries which are in debt to the United States have been going on in some nature or other. To be specific, it is stated that the distinguished ambassador had a conference with the President elect of the United States, and it is rumored that it related to some matter touching the international relations of our country and that a message delivered to the President by his excellency the ambassador adverted and related to the international debts, and the proceedings to be held at a meeting that is to be assembled here at Washington ostensibly designated as an economic conference, but which, as I have charged, in its ulterior purposes, is to deal with these international debts.

Mr. President, I am somewhat surprised, if the news from the alert and active representatives of the press is correct. I have been educated, in such opportunity as has been accorded me in public life, both in the House of Representatives, as a humble Member of that body, as a Member of the Senate under the Wilson administration, and as a Member now under the present administration, that a foreign ambassador who has a message to deliver touching affairs of state delivers that message to the Secretary of State, and that the Secretary of State, if the message be one that is to be communicated to the Government, either communicates it to his President or to the Senate committee that has to do with foreign relations.

Mr. President, I can not believe that there really has been the assumption by any ambassador of a foreign country of going over the heads of the Secretary of State, and of the United States Senate, and of making a visit to the President elect of the United States and there taking up the official subject which he presents as the ambassador of his country.



That he would be welcome as a guest, let us know; that as a mere visitor in point of friendship and companionship and communion as an eminent citizen of his country with one who has been chosen as President elect, let us hope that he is ever welcome, and would be ever delighted to make such visits wherever opportunity affords; but, Mr. President, it is not agreeable information to go out to the world that the President elect of the United States has chosen to receive an official message in such form as is understood. It is impossible for me to believe that the proper form and regularity of such transmission have been ignored; that the lessons of international statecraft, embedded in our history, would be disregarded, and the sources which are known officially to be those to which such message should be communicated, flouted.

There is no ambassador of America, credited to Britain, who I assume, sir, would be so bold as to go to Buckingham Palace to relate to His Majesty the King of England—the Emperor of Britain—his insistence upon a viewpoint upon a matter of international government. I would rather assume that if there were a matter of government to be discussed by our representative, he would direct himself to the minister of foreign affairs of the foreign country wherever he, our ambassador, was accredited. It is because I can not accept that an ambassador from any foreign country would violate the precedent so completely established, that I am not willing to feel that our eminent newspaper philosophers and historians have been correctly informed.

But, Mr. President, there is a matter on which I feel I am correctly informed, to which I will in a moment briefly allude. I am anxious not to take, beyond that which his kindly courtesy has yielded to me, the time of the eminent Senator from Pennsylvania, who I understand desires to address the Senate.

Mr. President, all this conversation which we understand is being engaged in respecting something touching the cancellation of the foreign debts or the re-formation of them in one new assignment, looking to their reduction or revision, is, in my opinion, quite beside the real object that is in hand and intended. I am not consoled within my own reflection when I am compelled to feel that the real purpose is being hidden, as the true purpose of action was disguised when the moratorium was asked by the President in the summer, when Congress was not in session—and he, the President likewise, deceived as completely as was this honorable body.

These conversations touching the question of reduction and cancellation of debt, and the assertions we read in the public press from the eminent authorities of these different countries asserting that they will not do this or will not do the other, as to these debts, are all thrown out as decoys. Each one of these countries knows exactly what the principal country that is acting as spokesman intends to do. Each one of these debtor lands understands completely the communion that ultimately and very shortly is to be all aggregated and combined to the purpose and to the end that is the real adventure. What is it?

The joint resolution passed by the House of Representatives in the form of an addendum in the way of an amendment when we ratified the moratorium, the joint resolution passed by the Senate, is clearly in the minds of these eminent statesmen. These forbade a renewal of moratorium or any action taking form of reduction or cancellation of debts. The debtor countries are equally conscious that the American public is in no temper to sacrifice these obligations or to yield them to reduction and to give up the place that they occupy in treaty and international compact. They know the necessity to the American public of having these debts paid, either at the time they are due or as early as possible thereafter.

The real purpose of all of these manipulations is to have all of these countries make the demand, first, for cancellation that shall have the conversational feature and to proceed until it reaches the end by a denial by America. Then will come the suggestion of a revision of the debts directly contrary to the revision that eminent Senators on the oppo-

site side—the Republicans—of the Chamber have well alluded to in splendid and wholly American sentiments. Therefore these debtor lands knowing that the debts will not be revised further than they have been; that, too, in demand must fail. Then will come what is the real purpose sought. It is that under the apparent acknowledgment of defeat the debtors in union will ask and urge for the extension of the present moratorium. That moratorium sought to extend for such length of time as shall give complete season within its action for the recovery on the part of the foreign nation of its own financial situation to a point where it may compete in all trade and finance with success against the United States, by taking advantage of her crippled state arising out of the repeating and continuing of the general moratorium, producing to the United States the loss of funds necessary to balance our Budget, sustain our obligations caused by the failure to collect our debts on which we relied as part basis for full payment of our own debts.

Mr. LONG. Mr. President—

Mr. LEWIS. Does the Senator from Louisiana wish to interrogate me?

Mr. LONG. I wish to ask the Senator a question.

Mr. LEWIS. I yield to the Senator.

Mr. LONG. Does not the Senator think that this international-debt situation may get down to the proposition of whether these countries can live on the interest on what they owe? [Laughter.]

Mr. LEWIS. I feel that I anticipated the eminent Senator from Louisiana in his query when I said that the purpose of the extension was to use the very delay in which they could recover their position because of our crippled state as the result of yielding the new moratorium for the great length of time which they will seek, appearing to be defeated in cancellation, then in revision, and yielding to taking the moratorium.

Mr. President, what I wish to press upon the attention of the Senators who are generous enough to give such patient attention to my views is this:

There is now being circulated throughout the United States of America, particularly to the commercial bodies, the report that if these international debts can be suspended, either through this long moratorium which is anticipated, or in any form of cancellation or revision, the money which otherwise would have been paid to us upon the debts will be expended in America for supplies, and thus enrich the manufacturer or the producer of America to the extent to which these funds may be distributed.

This is an enticing seduction, alluring in its promise, but deceptive in its development. It is an impossibility for these countries to carry out and execute such a promise, however sincere some of the advocates might be or however anxious the part of some of their representatives in desire to fulfill it.

These countries are in no condition to take such a course, either from the attitude as presented by the eminent Senator from Pennsylvania [Mr. REED] a few days past upon the basis of debased currency, or that of the Senator from West Virginia [Mr. HATFIELD], who has just spoken, touching the question of the tariff, or that of the eminent leader of the opposition, the Senator from Indiana [Mr. WATSON], referring only a short while ago to the relationship of armaments, and the possibility of the constant multiplication of debt incurred through these great weapons of death and universal desolation. Therefore, it is hopeless for us to expect that these foreign nations would spend their money with us when their dependencies or their colonies would of course demand that patronage and while their own needs and their own employment exact of them that the money should be expended at home. That fact is all too apparent. We know, from a political point of view, that they would not risk such to grant us the favor. We know, from the attitude of mind and feeling they bear toward us, that they would not extend such commercial courtesy and voluntary graciousness.

Therefore, Mr. President, I rise to say we must not allow to be circulated again throughout the United States the idea



that a great benefit is to come to America if another moratorium shall be given, and the debts suspended, and America be denied her rights, as was inflicted upon us under the honest misapprehension of the distinguished President of the United States, on the one hand, and as represented by him and the belief indulged on the part of the Senators who complied with his request, on the other. We must turn to the American people now to let them know that there is no spirit on the part of the Senate to indulge the hope that such favor could come to them, and they must not be deluded into the thought that it is expected we should yield to it.

Second, sir, and more important: These foreign countries must be told by us, and as frequently as it is convenient and appropriate, that there is no intent on the part of this America to do other than demand, within the proper space of equity and justice, the money that is due the people from whom we borrowed it. We must not lead them to the thought that our silence means that we are again being converted to the theory of a moratorium that shall suspend the debts and encourage the debtors to feel that where they are not even paid they may be forever forgiven.

Mr. REED. Mr. President, will the Senator permit a question?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Pennsylvania?

Mr. LEWIS. I yield to the Senator from Pennsylvania at any time.

Mr. REED. If the Senator will permit me to say so, I think he is doing a great public service in calling attention to the perils of the present course.

It has always seemed to me that one of the greatest mistakes ever made by President Wilson was to go in person to the Paris peace conference, and that he lost about half of his bargaining power and his authority over the situation by so going. I am fearful that Mr. Roosevelt is about to make the same mistake.

I should like to have the Senator's opinion on that subject.

Second, if the Senator will permit me to ask two questions at the same time—

Mr. LEWIS. I yield to the Senator fully.

Mr. REED. Second, if Mr. Roosevelt should arrive at some understanding with these foreign countries regarding a reduction of the debt, and if Congress should disagree with him—because there is no partisanship in this; there never has been; we have never made the debt business a political question—if Congress should disagree with Mr. Roosevelt's decision and agreement, nevertheless the moral obligation, which is the only sanction that these debts have, would be gravely weakened by the fact that he had so agreed. I should like the Senator to give us his view of that.

Mr. LEWIS. Mr. President, respecting the very great and acknowledged ability of the eminent Senator from Pennsylvania [Mr. REED] and conscious as I am of his experiences upon these questions, it falling to my pleasure last summer to serve at the same place where I saw his splendid abilities demonstrated in the council of international matters, in France, I first may interest him to let him know that I shall now for the first time in any public sense allude to a matter of which my brother Watson and other Senators sitting about me who served in the Senate in the Wilson administration have some slight knowledge.

I, in behalf of Senators on this floor who directed me as their messenger, was bold enough and expressed an audacity flaming enough to go to President Wilson at that time occupying the place called "whip"—a fairly decent messengership in behalf of my colleagues—and presented to him from my viewpoint what I felt was a peril, and what those who commissioned me to speak joined me in fearing would develop to be a danger, in his going abroad and acting as his own ambassador.

I may interest my friend, though not to meet his approval, by confiding that I had said to the President, "If your ambassadors succeed"—and I remember I designated as appropriate delegates ex-President Taft in my mind, Sen-

ator Root; our candidate for President, Mr. Bryan; and Justice White, of the United States Supreme Court; I assumed these as constituting on all politics—"in making equal representations"—I said to the President, "If they succeed, you, Mr. President, will be given due credit. If they fail, you will have done all that has ever been done by your predecessors, and you can not be charged wholly with the failure." But I did not meet with the approval of the distinguished President. He felt that his very presence would suggest to the foreign ambassadors that he was speaking for the American people, and that the American people themselves would be more inclined to ratify that which he did in person than they might that which ambassadors had done.

In this conference, I may say to my eminent friend the able Senator from Pennsylvania, there were some very full allusions to the ambassadors who had served in the matter of the peace of the Spanish-American War and to that which arose afterwards, the controversy as to what they had agreed, and the great dispute that lasted and swung from side to side of this honorable body, and greatly censured by press and clergy for months before a conclusion was finally adopted by the Senate.

I answer, therefore, I very much opposed my distinguished leader, the eminent President of the United States, going abroad on the errand as self-designated ambassador. I boldly put before him—who had been once a teacher of mine while an eminent professor, I an unworthy scholar, at a well-known university not particularly credited by my attendance—I say I sought to present some illustrations in history, but I did not avail in my mission in any instance.

I am compelled to answer that the President himself, when serving abroad, met those particular methods of statesmanship and diplomacy which had been the habit for centuries on the part of these eminent gentlemen serving Europe, unknown to him in practice, and unindulged in in the past by any American who professed truth and honor in his dealings with mankind. In this manner he was both outdone and outwitted by pretenses which he did not expect to be presented to him and to have to meet, but which, in the final end, developed a form that can be described as nothing less than falsity and deception, and as a result of which broke the character and strength of influence of America, and the heart of the now dead President of the United States.

Now I come to the second query.

I can not believe, I will say to my eminent friend, that the newly-to-be-inaugurated President of the United States, Mr. Roosevelt, with the lessons before him while he was Assistant Secretary of the Navy under the Wilson administration, and oftentimes acting as Secretary—with the consciousness of what he saw under the Wilson era, with his own instinctive sense of personal honor, with his knowledge of statecraft, with his sense of obligation to the American people—I can not believe that he would tolerate this gentleman, ambassador from any country, going directly in derogation of the rights and privileges of the Secretary of State and Senate, in the manner which my able friend from Pennsylvania has a right to glean from the public press as having transpired; I will say that if it did occur, the President elect would know that such action would put himself in the position that before he is inaugurated he is assuming to reach a judgment or an action which, ultimately to be approved by this body, would put him where—if not approved, he is discredited; and, if approved by the mere act of our service as a mere voice of messengership without senatorial independence—would place us at a disadvantage and discredit from the American public.

For this reason I can not conceive that our President elect would allow the ambassador of any country to bring to him a message from which he was to act, in conjunction with the ambassador and reaching a conclusion, and allow the ambassador to carry that conclusion to his country, on the theory that of course it will be ratified, accepted, and indorsed by the Senate, to whom he has never communicated anything relating to it, nor himself has been initiated into office, with authority to receive the ambassador on the one hand, or to send the result of the conference to the Senate



on the other. This President Roosevelt would no more allow than would the other Roosevelt.

I answer, yes; if the President elect could so far fall from what I know to be his splendid character, his sense of obligation to the United States and its people, his knowledge of the method of statecraft, and his consciousness of his obligation to the Senate as his colleague of service, and he should do such as to allow an ambassador to talk directly over the heads of the Senate and the Secretary of State to him directly such would be a folly, one he would regret, and one I know he would not commit. Therefore, I answer, that I am satisfied that the rumor which we get from the public press is due to those who possibly assume such in their imagination. Therefore I answer the eminent Senator from Pennsylvania to say that I can not believe it has ever happened.

Now, I conclude, Mr. President, by saying, as I was about to finish, first, I thank the Senator for saying the allusions I was then making received his approval and were being timely brought to America. We must not allow any action by ourselves, either in silence or in active conduct, vocal or physical, to encourage any foreign nation to the thought that we are indulging them in the hope that there will either be the cancellation or the revision of the foreign debts, or that our newly elected President of the United States is receiving any ambassador from any country and giving him encouragement in the form of authority to transmit his message back to his own country which would give encouragement to the violation of all that for which the Senate has ascribed itself in solemn resolution on the one hand, and the House of Representatives by resolution on the other.

We must let the foreign nations, one and all, understand that the United States of America, anxious for complete justice, seeing that no wrong shall be done any country, nevertheless still stands as those who speak for their own people, and will vindicate the claims and demands of America as Americans, and while extending wherever we can whatever may be the form of generosity or kindness to any people in the world, we can not be put in the position of again being deceived by one, tricked by another, or held up before the world as lacking the intelligence that could compete with these eminent ambassadors in the variations of their forms of culture which has been so successful in diplomatic matters in overrunning the United States in respect to its rights, the least of which will not be forgotten. When a conference met in the city of Washington, our honorable representatives surrendered our national defense by giving up not only our equality in the matter of vessels, but the islands upon which the supplies could be afforded the Navy in the hour of our Nation's travail of soul, and we will not again be so beggared in the final result as to suffer again such defeat.

Let us have done with all these pretenses, and, from this body, and from the humble voice of my own, if I may be so bold as to assume an authority in any respect, let it be known that there is not to the President of the United States elect, nor to the President of the United States select, anywhere at any time, granted the privilege to bargain away any of the dignified rights which belong to the Senate or the people of America, and that the present President elect is a statesman of such habits by training, such inheritance by birth as a gentleman; such a scholar of government, and a man so conscious of his fiduciary relations to the American people, that under no condition would he violate these ancient precepts, or in any wise disregard the sweet and solemn duty he has promised in his public addresses to the American people, to consider, first, their welfare, and that all of these dealings, as the Senator from Pennsylvania [Mr. REED] has well said, in a matter that has no partisanship, receiving the joint and conjoint action of this honorable body, will move forward, and we will do complete justice to any foreign nation, but allow no foreign nation of the world to do any wrong or injustice to the United States and its people.

I thank the Senate.

Mr. DAVIS obtained the floor.

Mr. REED. Mr. President, will my colleague yield to me to say just a word in reply to the Senator from Illinois?

Mr. DAVIS. I yield.

Mr. REED. Mr. President, my heart is lighter on hearing what the Senator from Illinois has said.

We on this side have no contact with the President elect. The only information we have of his intentions is that which we get from the newspapers, and I, for one, have been very gravely disturbed by the tenor of the newspaper articles on the subject we have been discussing. They seemed to indicate that Mr. Roosevelt intended to be his own ambassador, intended to put himself in a position of dealing with foreign ambassadors, and dealing in person with them. I felt that that was just such a mistake as President Wilson had made.

I think it was in the Philadelphia Ledger this morning that I saw a dispatch from London saying that Mr. MacDonald, of course, would not attend the forthcoming conference here, that the British cabinet wanted to hold itself free from the negotiations and retain a veto power over any agreement that might be reached here. Think what an advantage that would give them over the position of Mr. Roosevelt if such an agreement were reached.

I am delighted to know that the Senator from Illinois, who has access to Mr. Roosevelt, will lend the weight of his counsel to prevent any such mistake as that.

It is very obvious to me, Mr. President, that the only sanction of these debt obligations is the realization of the moral obligation they have created. We hold no collateral, we never would resort to force to compel collection, we have no way of getting payment of those obligations if the moral compulsion is absent from the debtor country. It is perfectly obvious that were the President or the President elect to make an agreement for reduction of the debts it would not matter in the least what Congress might subsequently do in disapproving the bargain, the sense of moral obligation to pay one penny more than the President of the United States had agreed to accept would be destroyed.

Mr. LEWIS. Mr. President, if the Senator will allow me to invite his recollection, while I join him heartily in the fear of what would follow should our President deal directly or attempt to deal directly with a foreign country or its ambassador, will he not recall that the present President of the United States did receive Premier MacDonald, of Great Britain, here in Washington, and Premier Laval, of France, here in Washington, and deal with them, apparently, out at the summer camp at Rapidan? I do not know what was the matter passing between them. I regret that the ultimate end was nothing, a failure of both conferences, as I see it.

Mr. REED. The Senator could not fairly describe it as "nothing." Mr. Hoover dealt with Mr. MacDonald regarding the then approaching London naval conference, and something did result from that.

Mr. LEWIS. A session of delegates followed from it. A conference of nothing from nothing—*ex nihilo veni nil*.

Mr. REED. I think we were the gainers from that conference.

Mr. LEWIS. On that, of course, we may disagree.

Mr. REED. On that we may disagree. What occurred between Mr. Hoover and Mr. Laval was described in a communiqué that was issued by the two of them, and it amounted to relatively little. However, those are bygones. Even if the Senator were wholly correct in saying that those contacts were a mistake, they have happened. We can not change the past; but we may to some slight degree influence the future.

Mr. President, I have just one word more, and I thank my colleague for his patience in letting me speak in his time.

I was gravely worried by a statement made in the newspapers two or three days ago, which I have not seen denied, that it was Mr. Roosevelt's intention to include in the coming negotiations representatives of those countries which have already defaulted on their obligations. That may mean only that he will exchange one promise that is no good for another that is doubtless no better. I feel certain that, regardless of partisanship here in Congress, the vast majority



of the Congress would certainly disapprove any negotiations for refunding to be carried on with those nations which have discredited their promises by defaulting upon them.

Mr. LEWIS. I may say, if I may be bold enough, that if the President elect of the United States had such idea of so dealing, I am quite satisfied he would send the proposition to the Senate, to be dealt with here, and not undertake it in the manner we gather from the press is assumed. We may trust President-elect Franklin D. Roosevelt.

#### MINING OF COAL, PHOSPHATE, OIL, ETC., ON THE PUBLIC DOMAIN

Mr. NYE submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 4509) to further amend the act approved February 25, 1920, entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment.

GERALD P. NYE,  
BRONSON CUTTING,  
JOHN B. KENDRICK,

*Managers on the part of the Senate.*

JOHN M. EVANS,  
TOM YON,  
DON B. COLTON,

*Managers on the part of the House.*

Mr. NYE. Mr. President, I ask that the conference report may lie on the table.

Mr. McKELLAR. Mr. President, will not the Senator state just what the report is?

Mr. NYE. Mr. President, the amendment which the House adopted was to a bill dealing with the suspension of payment of acreage rental where operations and production of coal, oil, and gas have been suspended by the Secretary of the Interior in the interest of conservation. The amendment was offered under a misconception of what was intended under this proposed legislation, and after the adoption of the amendment in the House, the author of the amendment and the House conferees were glad to recede from the amendment.

The PRESIDING OFFICER. The report will lie on the table.

#### TREASURY AND POST OFFICE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes.

Mr. DAVIS. Mr. President, the able Senator from California [Mr. JOHNSON] has submitted an amendment to H. R. 13520, which is now the unfinished business before the Senate, and provides that notwithstanding any provision of law the heads of the several executive departments and independent establishments of the Government shall, within the limits of the United States, purchase or contract only for articles of growth, production, or manufacture of the United States. The adoption of this amendment will mean work for our workers. It will help stem the tide of foreign competition and thus prevent further reduction of wages of the American worker.

Wage reductions mean the destruction of our standards of living. Any person who helps or counsels in destroying our buying power strikes at the vitals of citizenship.

As long as we permit competitive products made by cheap labor in foreign lands to control the markets of the United States we destroy our earning and buying power, and thus keep the American worker in the breadlines seeking relief.

Why we permit these competitive imports or products from other lands to be dumped into the United States while our own workmen are in the breadlines is beyond my comprehension. As long as we maintain the American standard of living there is not the slightest hope of America's compet-

ing with the cheap labor of Europe and Asia unless we give ample protection to American industry and agriculture.

I know of no loyal citizen who wants to put the American worker and the American business man on the same living standard as the European and Asiatic. Yet every day and every month we are on our way to these European and Asiatic standards. Foreign debased currency has completely demoralized industry and agriculture in the United States. Our workers are in the bread lines, yes, in poverty, while foreign workmen are happily at work because they can dump their products on our shores.

As I see it, the slogan for European and Asiatic workers is, "Put the American worker into the bread lines and let us work!"

We need emergency legislation for a special impost on all imports, equal to the amount of depreciation in the country or origin below the normal dollar of that currency.

Our Government, through contractors, is buying foreign products while our workers are idle. It is bad enough for us to refuse legislation which will bar these products, but when it comes to the Government of the United States' levying a tax on the American people and using that tax money to buy foreign-made products while its own are idle, I have not words to describe my opposition to it.

When we discuss foreign questions the international minded say, "be broad minded," and that we do not want the ill will of Europe and Asia. It is not a question of the ill will of Asia and Europe, it is the question of the ill will of the American people in which I am interested.

Of course, I want pleasant relationships with the rest of the world, but our own house should always be in order. America should attend to her affairs without interfering in any way with the political intricacies of the rest of the world.

William Randolph Hearst has given the power of his great newspapers and magazines to buy American. When we talk buy American, that means protection for American industry, but if we can not cultivate a patriotic spirit to buy American, then, we must increase our tariffs to prevent competitive products from being dumped here so as to set the wheels of American industry in motion.

The Johnson amendment will mean that we will again hear the clang of the hammers, the buzz of the wheels, and the screech of the whistle in American industry. That will be sweet music for the American worker.

The problem of overproduction is world-wide. The American modern machine is now in Europe, manned by foreign workmen at from 50 to 70 per cent lower wages than the American cares to work for. However, if America could keep in mind the thought that we have sufficient machinery to produce steel, coal, textiles, boots, shoes, and so forth, for our normal use in six months' operation,

We have the machinery in our basic industries to furnish the world's needs.

Stabilization—stabilize the products of the machine. We must control the machine or the machine will control us, and if it does poverty will be on the increase. The machine is both the glory and the scandal of our age. It is the glory because it enabled man to create more wealth in 20 years than the world could formerly create in 18 centuries. It is the scandal because after it has created enough wealth to furnish a considerable degree of satisfaction to all, many are left in a condition immensely worse than were the majority of slaves in ancient Greece and Rome, who at least seemed to have had enough to eat and a roof with which to shelter their heads.

We consume more than 90 per cent of what we produce and about 10 per cent of our production is for foreign trade, yet many believe that for our country to be prosperous we must have the 10 per cent and sacrifice a great part of the 90 per cent.

Our foreign competitors with their debased currencies are having one grand time dumping their products into our market. From a reliable source, I am told that foreign governments will not permit some of their factories to close even



though there is no profitable market for their goods because they would much prefer to make up the loss to their factories than to dole out relief to the unemployed.

When their government subsidizes them, their prices are low; they continue to take a nosedive and with it they demoralize and destroy the buying power of our own people.

Population does not mean so much to buying power. Earning power makes buying power. If extremely low wages and populations make for prosperous nations, China, India, and European countries would be the most prosperous in the world.

With the currencies of the world floundering around and their cheap products dumped into our markets, we can not hope for prosperity to return to America until we prevent it. We can not build up a sound business as long as our competitors in foreign lands are permitted to dump their products in our market, made by cheap labor and paid for in cheap currency.

Let us face the truth. If we continue to permit this dumping of foreign products on our shores and permit our taxpayers' money to be used in buying European goods, we will take a nosedive downward to European and Asiatic levels.

Stabilize American business, yes, and give American workers work. We can help to do that by adopting the Johnson amendment.

The problem of machines displacing workers is now and has been the subject of much discussion, whether it be in our Legislative Halls or in the home of the worker. It has been a perplexing problem ever since the use of something which extended the hand.

In an address before the International Federation of Labor Convention, at Cincinnati, I said that "the machine is both the glory and the scandal of the age."

Mr. President, there is something wrong in a society in which men and women of our cities go hungry while the farmers are unable to sell the products of their bursting granaries; in which men go thinly clad while manufacturers are able to produce in a few months, even weeks, garments which King Solomon in all his glory might have envied; in which men sleep under bridges or on park benches while carpenters, bricklayers, and stonemasons are lying idle.

When the textile workers were thrown out of the mills in Manchester, England (in 1812), as the result of the invention of new machinery, Lord Byron made his first and only speech in the House of Lords, in which he took the side of the workers, called the attention of the House of Lords to what must be the ultimate result of the mechanization of the industry, and, by inference at least, announced the universality of the dictum proclaimed many centuries before by Him who saw the end from the beginning and who said that institutions were made for man; not man for institutions.

I am somewhat familiar with the reports made by the Bureau of Labor Statistics since its organization; that bureau has served us well, especially in the matter of showing workers displaced by machinery. It was organized on January 1, 1885. The first report of Carroll D. Wright was issued March, 1896. In the body of that report, page 80, he includes a section on Machinery and Overproduction, where through several pages he calls attention to industries and occupations in which 50 per cent of the workers have been displaced and to numerous machines that can perform the labor of from 2 to 10 men.

So pertinent to this subject is that section of Commissioner Wright's report that while I will not take the time to read it I ask that it be inserted in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. FESS in the chair). Without objection, that order will be made.

(See Exhibit A.)

Mr. DAVIS. Subsequent reports of the bureau furnish information from time to time along these facts of industry, particularly the reports on iron and steel and the reports of coal, and so forth.

During the time I had the honor to serve as Secretary of Labor, Mr. Ethelbert Stewart was Commissioner of Labor Statistics. Every dollar that could be spared from other subjects was used to expand the information along these lines, and in my first conference with Commissioner Stewart he emphasized the importance of collecting information on the productivity of labor, as we called it then; on the output per man-hour; on the displacement of men and women by machinery. Pages of this information were published, with but little response from those who should have been interested. Apparently the phraseology of the displacement of men by machinery was too prosaic, too easily understood, and did not suit the day and time when the mental attitude was to speak or think of nothing that was unpleasant.

A little later the term "technological unemployment" was brought forth. It was taken up by Government agencies, and, being a new term, it gained some recognition. In my own public speeches I used this information furnished me by the Bureau of Labor Statistics to call attention to the fact that a bottle-blowing machine had entirely displaced human labor in this occupation. The same thing had occurred in the window-glass industry; and I called attention to the fact that a single brickmaking machine put out 49,000 bricks in one hour, which would mean that operation of the machine for 24 hours would produce 1,176,000 bricks. As a result a brief editorial would occasionally be printed.

But now comes the term "technocracy."

It was discussed in the New Outlook in November, 1932. It was taken up by the Associated Press in a series of articles, six in number, and published in all the evening papers. It has already been made the subject of more editorials, more widespread comment than any similar topic within my memory. We have technocracy on the air, and two important broadcasting systems are devoting to a discussion of it during this month four afternoon periods under the auspices of the National Students' Federation and the American Academy of Arts and Sciences. Our religious leaders have announced they are going to deliver sermons on technocracy. One is startled by the suddenness of this outburst of interest, especially in view of the fact that, as I have indicated, there is hardly a single item in the so-called mass of statistical information emanating from the committee on technocracy that was not formerly collected, compiled, and printed by the Department of Labor.

The Bureau of Labor Statistics recently compiled a digest of the material on technological changes, productivity of labor, and labor displacement that has been printed by that bureau in the last 10 years. I will not take the time to read it, but ask at the conclusion of my remarks that it be inserted in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit B.)

Mr. DAVIS. Mr. President, the history of the invention and use of machinery, and the attitude of the workers toward so-called labor-saving machinery, has been a very unpleasant one. It is not true that the ancients had no mechanical sense or genius. Not only was machinery, or what amounts to the same thing—mechanical devices and appliances—used in the mines and in the building of the pyramids of ancient Egypt during the first recognized civilization of mankind, but Hero of Alexandria, Egypt, 130 years before Christ, invented a steam engine, the plans and descriptions of which we still have. The prime purpose of that engine was to pump water and force it through conveying pipes, but war brought an increase in slave labor and slaves became so cheap that it was not profitable to manufacture and use the machine. Julius Caesar in his war with the Gauls found a reaping machine in use by them for cutting grain. It is described as a machine which cut off the heads of the grain and conveyed them to a platform where they were pulled off and loaded on carts to be carried to the threshing floor. It was propelled by oxen hitched in some way behind the machine, which preceded the oxen in cutting the grain. It was very similar to the old-fashioned "head-



ers" which we all remember. The Gallic wars produced such hordes of slaves that for some time thereafter a slave could be bought in Rome for \$5, and it did not pay the farmers to use the new-fangled agricultural implements which they found among the defeated Gauls. Nero had a pipe organ operated by a steam engine something on the plan of that invented by Hero. This was destroyed along with the imperial palace in the great fire of A. D. 64. Labor was so cheap that there was no inducement to invent machinery; and from the time of Hero, 130 years before Christ, there was not even any experimenting with steam so far as we know until Savery's pumping steam machine, invented in A. D. 1698.

Not only did slave labor prevent the development of machinery in former times but recently when Germany, for the purpose of wiping out her own internal debts, inflated her currency until it took over a million marks to pay postage on a post card she thereby reduced the real wages of labor to the point where the most efficient labor-saving machinery in the world had to lie idle in her factories because it was cheaper to produce goods by hand labor than it was to operate the machines.

Then came the Papin engine of 1705, and Newcomen's atmospheric engine of the same year. These were rendered obsolete by the engine of James Watt in 1773, since which time inventions and progress have been continuous and startling along every line.

There can be no question but that the invention of machinery and mechanical processes of production could be and should be to the interest of the human race without any alloy or drawbacks. Unfortunately, the influences in control in every age have had but one thought, which was to produce more at less expense and with less and less human employment. If some human employment has developed as a side line in the production of machinery or in the transportation of goods resulting from a wider use, it has been purely incidental and has been left to take care of itself. Those who invent and those who use labor-saving machinery had no thought of the labor that was saved or the laborer whose efforts were no longer needed. In that way a condition of bad blood has been created in the minds of the working masses toward machinery. They have been perfectly able to see the importance and the utility of the machinery, and have resented only the fact that it was so used as to injure them and theirs because they did not receive their full share of the wealth produced by the machine.

We have a similar instance of a universal mental attitude of antagonism being developed against a perfectly harmless and in fact beautiful thing in the feeling of the early Christians toward Greek and Roman and in fact all pagan art. It was not that the early Christians did not recognize and admire beauty; but all pagan art reflected more or less directly the pagan gods and goddesses or contained some allusion to pagan traditions or legends. The Christians smashed the statue of Venus, not because they were lacking in appreciation of art in marble, but because the figure brought to their minds the whole question of idolatry, which they hated. Every representation suggesting the polytheism of the pagan pantheon aroused their destructive ire. Centuries later when art became Christian, Christians became artists; and Michelangelo's Moses testifies to the same inherent love of the beautiful and the grand in the Christian mind that Appollo of the Belvedere, which the Christians smashed, did to the pagan mind. Pagan art tended to perpetuate paganism and idolatry, and the Christians smashed it wherever found, with utter disregard of its inherent value or beauty. In the early days of the invention of machinery it threw the workers out of their jobs, and they smashed it, utterly regardless of its ultimate usefulness or utility even to themselves.

Mr. President, to start with, let us take the basic thesis of the New York Committee of Engineers. I regret to note that they have exhibited most strikingly the usual carelessness, which characterizes the thinking of the academic man when he gets outside of his immediate field. For instance, in a number of cases they take the figures of the Bureau of Labor Statistics and appropriate them without any acknowl-

edgment, and then they misread the figures themselves. In many instances where the bureau reports that a machine produces 10 per cent more than can be produced by hand labor, the New York Committee of Engineers says ten times as much. Some cases 40 per cent is represented as forty "times." To the extent that the committee does not know the difference between "per cent" and "times" their figures are in many instances wildly exaggerated and extravagantly absurd. On the other hand, of course, so far we have only snapshots of this displacement of man by machinery—examples taken here and there—the legitimate inferences from which, when spread over the entire field produce a reasonable presumption of a situation which if not so serious as these engineers would try to make us believe, is certainly serious enough.

In the case of automobile tires, for instance, between 1914 and 1927, the production of tires increased 673 per cent; the man-hours increased 97 per cent, while the productivity per man-hour increased 292 per cent. Since 1929, especially during 1930 and 1931, the annual output per wage earner was 1,015½ tires as compared with 843 tires per wage earner in 1929 and 822½ tires in 1927. These are the combined figures from 29 of the largest plants of this industry.

As a sample of the snapshots that are coming in from time to time, I have a letter in my hands from an old-time friend who works in the tin mills in Granite City, Ill. The letter is under date of January 10, 1933. It goes on to point out that 10 men now do the work of 70 and the wages paid those 10 men run from \$4 to \$15 a day. I ask permission to insert that letter in the Record at this point.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter referred to is as follows:

DEAR JIM: The time has arrived to note the tin-mill game, for the patent machine and furnace is commencing to force the old timers out of their vocation. I regret to say that I am in this class.

Now, for example, take the new furnace which is on a continuous basis. The roller presses an electric button on the housen which automatically operates the door and forces hot pack down the runway to the standing at his feet which he then finishes. This eliminates the heater and his helper and likewise the patent machine does away with the doubler. Two units of this kind are to be found in Granite City at the present time.

There are two mills constantly roughing down while the other two mills are continually rolling fours and finishing, thus enabling them to turn out at least as much work as they originally did on 10 old-style tin mills and at a far lower wage rate.

You can readily realize it is going to spell taps for many an old timer. Personally I am not going to wait for the fateful squeeze-out as I plan to try and get something along other lines.

Mr. DAVIS. What this letter means, in plain terms, is that 3 of the newer mills in the tin-plate industry now do the work of 10 mills. There are fewer men around one of these 3 mills than there were formerly on any of the 10 mills. Expressed in terms of human labor, it means that 7 men are now doing the work of 70 in the older plants. And understand, that the older plants were not operated by hand labor by any manner or means; they were until a very few years ago considered marvels of inventive machinery; and in these mills, 3 of which are doing the work of 10, 7 men do the work of 70, and thus the merry march goes on. So, while we may regret the fact that the graduate engineers of the University of Columbia do not know the difference between percentage and "times" and they have therefore grossly exaggerated the situation they have attempted to describe, nevertheless with the essential truth of the picture they paint of the displacement of workers by machine, we have no quarrel.

The New York Committee of Engineers who have evolved this new word, technocracy, apparently think they have evolved a new theory of money which is to be based upon units of electrical energy, kilowatt-hours, horsepower, or some other mode of expressing productive force. It is rather amusing to see this theory labeled as "new."

When Robert Dale Owen started his community-life experiment in New Harmony, Ind., in 1825, Mr. Josiah Warren was a member of that community. The settlement soon became more interested in theories than in agriculture, and



Mr. Warren invented the labor money which for some time circulated in New Harmony, Ind., and was very seriously considered by the Knights of Labor in Pennsylvania 50 years afterward. We will not here reproduce Mr. Warren's currency. A copy will be found on page 73 of *The Labor Movement—the Problem of To-day*, edited by George E. McNeil and printed in 1887. There are the usual flourishes and engraving on this bill, but the printed matter reads as follows: "May 18, 1827, Cincinnati, Ohio." In the center there are the usual pictures of justice and various goddesses, and between them is this motto: "Labor for labor." Then follows "Due to bearer." Then, in heavy type, "Eight hours of labor in shoemaking or 100 pounds of corn," and signed by the treasurer, William Morton.

There has always been a theory among the workers that somehow the basis of that circulating medium of exchange which we call "money" should be based upon the amount of labor required to produce the thing exchanged. To meet this, economists have tried to show that gold really represented its value in actual work, notwithstanding the fact that every practical miner knows that every ounce of gold in the world has cost hundreds of times the amount of its price in human toil and life. I do not care to discuss this phase of it, but simply to show that the theory of money based upon energy is not new; it was developed by and among the workers themselves, the only difference being that the old labor theory of money was based upon human labor, upon man power, and not upon kilowatt-hours. This essential difference between the technocrats' idea of values and the workers' idea of values I will discuss later on.

This committee, which was composed of a group of 36 engineers working in the engineering laboratories of Columbia University, supported and financed by private funds and subscriptions, has issued a report most savagely attacking everything that is or ever has existed in the form of economic or industrial life. Its principal spokesman, Mr. Howard Scott, director of this committee of energy survey, has an article in the January issue of *Harper's Magazine*, which he calls "Technology Smashes the Price System," with a sub-head, "Inquiry into the Nature of our Present Crisis." As we have seen, the facts which he gives have long ago been published by the Department of Labor, and may be generally accepted without argument. Apparently, what he means by "smashes the price system" is that as the result of this same technocratic mind we have developed a system of production in which the cost of the unit of production can not be charged into its price.

Let me illustrate. Originally in this country the farmer tanned the hides of his own cattle which were killed for food. In the fall of the year the cobbler or shoemaker came along and measured the feet of the various members of the family and made the boots and shoes in the home, received his pay, and proceeded to the next family. Here, the cost of production could be charged into the price. There were few tools, and they very inexpensive. It took about two and a half days to make a pair of boots as they were made then, and the shoemaker received \$5. The farmer furnished the leather.

Now we have a machine which costs, the more simple one, \$10,000, and some of them more than that, upon which a pair of shoes can be made in 36 minutes of one man's time. In a few factories they are made more rapidly than this. It is the claim of the technocrats that while the price of a pair of shoes to-day contains all the apparent items of cost of production plus a profit sometimes, yet the cost of the machinery and the carrying charges of the machinery can not be put into the price, as it must in the nature of things be spread over a vast number of pairs of shoes, and in a considerable length of time the machine becomes obsolete by the invention of a new machine which displaces it before its cost can be recovered. The concrete cause of this is cited by Mr. Scott in the article in question, from which I quote as follows:

The first Curtis turbine built by General Electric for the Insull interests in Chicago in about 1903 was withdrawn in September, 1909, in perfect working order, and now stands in the General Electric yards as a relic of a bygone age. That obsolete turbine is still being paid for in interest on the bonds sold to buy it.

Mr. Scott continues:

Since obsolescence retired equipment before it could be paid for there was nothing for it but to borrow again and issue more bonds and mortgages and start paying interest on that, along with the interest on our first borrowings. So higher and higher rose the country's mountain of debt. To make a profit we borrowed; to pay what we borrowed we borrowed more; to make a profit in order to pay off what we had borrowed twice, we then borrowed all over again. A careful examination of the debt figures and the production figures of this country—and these figures have been repeatedly checked and can not be brushed aside—reveals the appalling fact that for years our debts have been increasing at a rate faster than production, and both of them faster than the rate of population!

This is very well stated, and the subject matter was fully covered by Commissioner Carroll D. Wright, of the Bureau of Labor Statistics, in 1886, above referred to. It is a matter of common knowledge that there are bonds now outstanding of the Baltimore & Ohio Railroad issued in 1846 and still carrying interest on money that was used for construction and equipment which has been worn out and replaced four or five times since the date of the bonds. Apparently, the technocrats are particularly disturbed at their new discovery of this old, well-known fact.

Mr. Scott says:

The industrial debt of this country—bonds, mortgages, bank loans, and all other interest-bearing amortized securities—totals approximately \$218,000,000,000. The fixed charges on this debt are equal to over half the present national income.

There may be some question as to the exactness of the extent of the interest-bearing debt in the United States, as other very competent sources estimate that in 1931 this debt was \$156,615,000,000. Nevertheless, since this \$218,000,000,000 is the only figure to which the committee of 36 can lay any claim of originality, we will let it stand. The committee asserts that 50 per cent of the national income goes to the payment of the fixed charges growing out of this national debt. Other and very much more reliable sources tell us that in 1932, 24 per cent of the national income was absorbed by the national debt. In any event, the situation is bad enough. If, as Doctor Naess estimates, 9.34 per cent of the national income went to pay interest on the debt in 1923 and 24 per cent was required to pay this interest in 1932, not only is this rate startling but the rapidity of the increase is appalling.

Whatever view we take of this matter, however, it is a serious situation, particularly if, as claimed, the debt does not shrink in volume by those same forces which shrink our assets. The national wealth of the United States in 1929 was approximately \$400,000,000,000. By the shrinkage in prices and the fading away of face values, that which was 400,000,000,000 in 1929 is now about \$290,000,000,000. So it will be seen that if, in the estimating of fixed debt, we accept either the 160,000,000,000 or the committee of technocrats' 218,000,000,000, we are carrying a load that can not, at least in the near future, be charged into price.

The committee seems to emphasize this at a time when various schemes are before Congress to stabilize the purchasing power of the dollar by coupling it up somehow with the index of wholesale prices as issued by the Bureau of Labor Statistics. If we accept the conclusion of this committee of engineers, prices can not be reduced but must go up and be held at a much higher level than they are now.

The only alternative that I can see this committee of technocrats suggest, by inference, at least, is that they want to start with a clean slate. In other words, they want all forms of indebtedness representing the past to be wiped out. They advocate, by inference, the old Hebrew idea of the Year of Jubilee, by which once in 50 years all debts were abolished and all started afresh. I wonder if this does not give us a partial reason for the popularity of this literature and the sudden and widespread interest which enables it to have all avenues of propaganda open to it.

If universal debt repudiation can be made scientific, I am sure its advocates will find a vast array of foreign support right now.

Mr. ROBINSON of Indiana. Mr. President, if I understand the Senator rightly, what he means to say is that any movement for cancellation of debts will have a lot of Euro-



pean support at this moment, when they are repudiating their debts to us.

Mr. DAVIS. It is all right if the Senator wants to put it that way.

Mr. BYRNES. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from South Carolina?

Mr. DAVIS. I do.

Mr. BYRNES. I want to ask the Senator from Pennsylvania where the idea of technocracy originated.

Mr. DAVIS. It originated in the minds of a number of engineers who have their headquarters in New York City. If the Senator will wait until I get along a little bit farther, I will discuss that matter with him.

This technocracy is not without its funny side—

Mr. BYRNES. Mr. President, will the Senator from Pennsylvania yield further?

Mr. DAVIS. I yield.

Mr. BYRNES. Do I understand that it originated at Columbia University?

Mr. DAVIS. No. The term "technological unemployment" came from some one whom I do not know to one of our Government departments. The term "technological unemployment" was used in preference to displacement of workers by machinery. Those who used the term "technological unemployment" desired to express the thought that while men were displaced by machinery, new inventions also gave employment. The newspapers and publicity men dubbed the New York engineers "technocrats." They seem to enjoy the name, and now it is to some a new and mystified word.

The subject does have a humorous side. The long-promised interview with a real working man that Will Rogers gave appeared in the New York Times of January 4. Rogers asks the worker what he thinks of technocracy, and the worker replies, "Nothing you can't spell will ever work." The entire alleged interview, unusually keen even for Will Rogers, does reflect the "down-and-out" point of view. I am not going to read it to the Senate, but ask that it be placed in the RECORD at this point in my remarks.

The VICE PRESIDENT. Without objection, that order will be made.

The matter referred to is as follows:

[From the New York Times of January 4, 1933]

MR. ROGERS GETS THAT NEW YEAR INTERVIEW WITH THE POOR MAN WHICH HE PROMISED

BEVERLY HILLS, CALIF., January 3.

To the EDITOR OF THE NEW YORK TIMES:

Hello, mister, was you ever asked to make a New Year's prediction?

Say, I never even been asked to eat on New Year's.

Have you ever been appointed on a commission?

No.

Do you read prominent men's predictions?

No; I never read fiction.

Have you a job?

No; I am on a diet.

What does the New Year hold in store for you?

What New Year? Have they got another one?

Do you think the world leaders can get us out of this?

They might; ignorance got us in.

What do you think of technocracy?

Nothing you can't spell will ever work.

What about the debts?

Well, I hear England paid 90,000,000, but it's only hearsay as far as the unemployed is concerned.

Do you think we will get out of this depression just because we got out of all the others?

Lots of folks drown that's been in the water before.

What will give the unemployed unemployment?

If somebody will throw a monkey wrench into the machinery.

Won't light wines and beer be a big aid to the poor?

They will, if they give 'em away.

Won't 1933 see a change for the better?

I don't think so. We haven't suffered enough; the Lord is repaying us for our foolishness during prosperous days. He is not quite ready to let us out of the dog house yet.

I will haul you down the road if you like.

What's down the road? I've been to both ends. One place is as good as another.

Well, good luck to you.

Yes; that's what my Congressman said.

Yours,

WILL ROGERS.

Mr. DAVIS. The idea of a circulating medium based upon units of electrical energy was, of course, food for the humorists and cartoonists. Phillips, of the Washington Post, after telling us in his own humorous way some of the difficulties that may grow out of the use of such money, says: "But after all, there will be some satisfaction in being able to pay your income tax with 300 volts." The cartoonist Brown, in the Washington Star, intimates that "Technocratic shopping may be confusing," in a cartoon that appeared in the Sunday papers of January 8. The customer is standing with his hands full of various bills, together with a package that he has purchased, and is saying to the shopkeeper, "Sure this change is right?" The shopkeeper, with a look very forcibly portraying his irritation, says, "Certainly. You gave me a 5-unit bill of electric energy. I took out for the pound of cheese and gave you 3 units of water power, 1½ units of daily hen energy, 4 units of windmill energy, ½ unit of steam power, and 13 units of farm hired-man energy. Count 'em."

Here again we are reminded of the criticisms that were made of the labor money. When Josiah Warren moved from New Harmony, Ind., to Thompson Station, L. I., and began the circulation of his labor money in the community which he gathered around him there, Mr. George J. Holyoke, in a labor paper published in the thirties, said:

Mr. Warren's mode of paying commission was by charging the exchanger for the amount of time expended in effecting his business. The manager had a clock before him; he noted the time of the customer's arrival, and when the transaction was completed charged him for the time consumed in conducting it. It was not the value of the business done, but the time taken in doing it, upon which the charge was made. It might cost more on this plan to buy a bunch of needles than a sack of flour.

This money, which is not to be called money, is nevertheless to be the circulating medium of exchange, the evidence of a property right, which simply shifts its base. It does not alter the function of money, and might just as well, so far as I can see, be called money as to be called anything else, except for the reason that these expert technocrats seem to desire to get away from every word that may make them remember or think of the horrible economic system which produced themselves.

This money is not to be based upon gold, silver, or even on existing property. It is not to be based upon human labor or anything that is; it is to be based upon the electric energy required to produce what is to be produced. That is to say, it is an order for a specific amount of electrical energy to be exerted in the direction the bearer may suggest. If this is not what it means, will the committee of professors of economics and the technocrats of Columbia University please detail some one who can write in understandable English to tell us what it does mean.

The place of man in this money is not quite clear. Man power is pitted against the electric power produced by Muscle Shoals and Niagara Falls, and all is thrown into a jack pot together. It will be noticed that this committee estimates the value of man at one-tenth of a horsepower. It will be noticed also that Commissioner Carroll D. Wright in his report printed in 1886 gives 1-man human energy as the equivalent of one-sixth of a horsepower. The question arises as to whether the American worker is losing physical energy at a rate which prompts me to ask, Is this a part of the New York committee's attempt to standardize wages at a low level, since our committee of engineers assured us that a kilowatt-hour of electric energy never changes, has always been able to produce and will retain an identical ability to produce the same number of shoes as at any date, and apparently regardless of the efficiency of the shoe machinery through which it operates?

I am exceedingly dubious about this reduction of man power from the equivalent of one-sixth of a horsepower to one-tenth of a horsepower, and am wondering whether, if he is to be pitted against Muscle Shoals and Niagara Falls on this basis, his daily wage will not be reduced to a point below the present wages of a Chinaman. Of course, they say there are to be no wages, and I fear that several millions of our population just at this time will fully understand even if they do not approve of what they mean.



Again, just as their new term for money means exactly what the old term for money meant, if anything, so their statement of abolition of wages is left utterly without any explanation which even remotely explains. Whether we call it wages or not, the people must get something, something of food, something of clothes, something of shelter, and they must get it either as reward for their own labor or exertion of some sort or through some contact with or part in the production output of these vast billions of units of electric energy which is to control the world.

We will not quibble about the word "wages" but how are the people to get these products which they need and, when they get them if they get them, will they not perform the same function that is now performed by what we call "wages"? If so, what does it matter what we call it?

Mr. President, in this whole scheme, and all that has been written about it, the consumer as such has never been mentioned, so far as I have discovered, and if so, the reference has been so obscured that we have been unable to find it. The committee of technocrats have overlooked the fact that kilowatt-hours do not wear overcoats, that the horsepower energy of a turbine engine does not eat potatoes or occupy a little cottage on a shady street; that neither Edison nor Steinmetz have invented a machine which will buy and pay cash for the products of machinery, and that such a machine is absolutely essential to this scheme of engineering technocrats, which can see only a world of unlimited energy producing and producing and producing. It might be well enough to suggest to these gentlemen that we are doing enough of that now, that the present problem is one of consuming and consuming and consuming, and of getting into the hands of the human units which alone want, need, or can consume the products of these electrical units in which the human being is to have no share, or at least so little share.

The same confusion of thought, or perhaps one might be justified in saying the attempt at thinking, confronts us when we examine their definition of price. Price is to be abolished. The reason for that is that the system has been unable to charge into price the cost of production which should carry with it a complete amortization of the cost of the machinery of production. That is to say, the competition in machinery, the rapid improvement in machinery, has rendered machines obsolete while they were yet new, and long before they could be paid for out of the returns from the goods which they produced. It must be admitted this is perfectly true under our corporation method of financing manufacturing business.

If a private individual buys a horse and wagon and undertakes to do a draying business for a fee, his horse may live long enough for him to earn his operating expenses, support himself, and create a sinking fund to cover the cost of his horse and wagon and leave him some profit. If however, his horse dies, he has lost his horse, and that is that. He can not continue the cost of the old horse into the price of a new horse, which he must buy, just as when a man has worn out a suit of clothes, it is gone, and he can not by any intelligent sort of bookkeeping add the price of a new suit to what he paid for the old one, and thus figure his present suit has cost him the price of all the suits of clothes he ever had in his life. But that is just what a corporation can do. That is just what the credit system permits anybody to do. A manufacturing corporation buys a new milling machine and issues capital stock or 25-year bonds, we will say, to cover into his capital the cost of this new machine. It greatly augments the efficiency of his plant, increases output, and enables him to enormously expand his sales at a price which covers current expenses, interest on his stocks or bonds, and a small amount for deterioration or sinking fund to replace the cost of the machine, but long before the machine is paid for a new machine is invented which so far excels the one he has that he can no longer control his trade against a competitor who has purchased the new machine. In other words, invention has rendered his machine obsolete. It must be thrown out, sold for old iron, long before it is

paid for, but he can not throw out the interest-bearing bonds or capital-stock certificates which represent this obsolete machine.

The debt is a fixed one and is not affected by the destruction of the value of the thing for which it stands. He thus carries over his dead horse into his new outfit, and this repeating itself as frequently as is necessary in these days of rapid changes of mechanical efficiency, pulls after every manufacturer a long and rapidly lengthening chain of unpaid indebtedness for obsolete machines which he can not, it is perfectly true, charge into price.

Machinery is not only rendered obsolete by the invention of new and better machinery but is rendered worthless by its own massiveness. To illustrate, the Owens bottle-blowing machine, which started out as a comparatively small machine, has now been improved and developed until its size and cost of operation is so great that unless a man has an order in hand for at least 100,000 gross of a given size bottle he can not afford to start the machine, and hence numbers of these machines are standing idle to-day, and smaller, much less efficient machines are being operated to supply the orders for a few dozen gross or a few hundred gross of bottles, which come from the smaller customer. In other words, mass production can only be carried on with mass consumption, and since mass production has produced mass unemployment instead of mass consumption, human beings being the only consumer, mass production and its machinery has defeated itself and its purpose by the very fact of ignoring the consumer, just as our committee of engineers has done.

The Glass Workers' Union had an opportunity to buy the Owens machine for the small sum of \$25,000. Had the glass workers bought that machine and operated it, and charged the present prices for the wares the machine produced, it would have been practically sufficient to care for those who made a livelihood in the industry and who were displaced by the machine.

Mr. President, consider the railroads, for instance. The new K-1 locomotive which can pull a train of loaded cars a mile long—that is to say, can pull 100 loaded 80-ton cars up a reasonable grade—can not be used economically when the company has but 10 partially loaded 50-ton cars to pull. Suppose it puts its K-1 engine on the train of 10 partially loaded cars; it can not possibly charge into its freight rates its cost of transporting the goods. We are thus dragging, as I said before, a long and ever-lengthening chain of corporate debts for things which no longer exist or are economically unserviceable, and not even the cost of operation, much less the original cost, or the interest and carrying charges on the original cost, can be charged into price. But even assuming that all this debt which represents the "dead hand," and which the committee on technocracy estimates to be \$218,000,000,000, and others estimate at \$160,000,000,000, no matter how much it is, assuming that it is to be entirely wiped out and we are to have a new start with a clean slate, assuming that money in the sense of Federal bank notes, national-bank currency, or Treasury gold certificates, is to be abolished, and that in the future we are to present a 100-horsepower certificate at a furniture store for a set of dining-room chairs and receive the change in the form of kilowatt-hour certificates on Muscle Shoals, the difference in the bill we present and the change we get back will be the price of the dining-room chairs, no matter what we call it, just as the power certificates which we present will be money, no matter what we call it.

The discussion of the general subject of technocracy has already been taken up in England, and I think we must admit it is being discussed over there more understandably, in language much more direct and to the point. Professor Soddy, British economist, has an article in the Daily Mail entitled "Man, Machines, Money, and the Technocrats" in which he agrees substantially with the position we are taking that technocracy means literally "government by technicians." He says:

"I solemnly affirm that our monetary system has cost the British taxpayers an unjust burden, and will continue to do so until it



either breaks democracy or until the people insist on knowing more about money systems than responsible parties think good for them."

Continuing, Mr. Soddy says:

"We are all agreed in advance that technology has rendered the existing social institutions and economic systems both 'obsolete and dangerous' and that the physical needs of the world can be supplied in far greater abundance than at present with a shorter working day and week," the economist wrote.

"However, the assertion that this can be achieved only by abandoning the 'price system' and the substitution of 'energy certificates' is no part of my present conclusions, although something of this kind may be forced upon civilization if the world continues to expand.

"The current idea that because we wasted so much in the World War that it was incumbent on everyone to tighten belts and practice severe economies appeared to me little less than rank blasphemy against the truth. When you deal with life in communities, the things which determine whether they thrive or starve includes three:

- "1. The supply of energy.
- "2. Inventions and discoveries to utilize energy.
- "3. Human fear and diligence to attend it during transformation into wealth.

#### CALLS FOR STUDY OF MONEY

"Labor in the purely physical sense has suffered emancipation. Modern machinery can do the work of over 1,000,000 laborers working hard for eight hours a day. I believe that if democracy took the trouble to discover what its actual money system is, it would enter a new lease on life."

Referring to machines replacing men, Professor Soddy said that if men were unemployed, it was not because they could not adapt themselves to the more skilled and lighter duties that science imposes, but because of an attempt to recoup the overload on the power station that occurred during the war by partly shutting it down.

"I judge from their proposal to abandon the price system and substitute energy certificates that the technocrats have not quite gone to the bottom of their own system," Professor Soddy concluded. "Few are prepared to believe that it can be as funny as it really is."

Cutting out all of the unnecessarily obscure which the New York Committee of Engineers has injected into their report, it seems to me that all evidence of indebtedness for purchases in the past in the form of railroad and corporation stocks and bonds of whatever form it make take is to be wiped out; we are to have a Reconstruction Finance Corporation which is to meet all debts and indebtedness by abolishing them; we are then to have a currency which will be a demand upon what is practically an inexhaustible source of productive energy, this demand to be in the form of some form of scrip and to be presented in payment of a thing before that thing is made. There will then be no more debt. We are to walk right into a "pay-as-you-enter" civilization.

Again, if this is not what they mean, will they delegate some one who can speak English to arise and tell us what they do mean? Strange to say, everything is to be left to private and corporate interests and initiative, with rights to own, conduct, and control as they will. It is willing to accept—in fact, it assumes—full responsibility for everything except the social and financial consequences and results of itself. These it would shift to the new technocracy, or government of technology by technocrats for technocrats. There are to be no more party lines of protective tariff or free trade; there is to be an entirely new concept of Uncle Sam; there is to be no God, but mass production, and the technocrat society is His prophet. The purpose of government is to take care of the cost of obsolescent machinery which can no longer be charged into price. We are to start with a funded nonpayable debt of \$218,000,000,000 to cover the cost of machinery already rendered obsolete by new improved machinery, which in turn is not only to become obsolete but even now in its youth and prime can not charge the cost of itself or even the interest of the cost of itself into price, and hence there must be additional bonds issued to cover the carrying charges, the overhead cost of our miraculous mechanical progress, unless we agree to wipe out this 218,000,000,000 of obligation and enable the technocrats to start even.

I wonder whether the real significance of all this real and present public interest and attention does not lie in the general fact of a consciousness that our whole political, eco-

nomie, financial, and social system is bankrupt, and a public curiosity as to which of the creditor factions is going to land the receivership; for it must be admitted that there is a general feeling that so far as our present method of doing business is concerned, we have reached the end, and that something is going to happen and that very soon. Whether that something is to be intelligent or whether we are to drift as Europe did from about 700 A. D. to 1400 A. D. groping through a period so manifestly unintelligent as to be unable to control its own problems, a period that justly earned the name of the Dark Ages, or whether we are to take the bit in our teeth at the start and organize public control of the output and the use of the units of electrical energy; perfect some intelligent and tangible method by which we can determine the consumption of agricultural and manufacturing products so as to coordinate the supply with the wants or at least the needs of mankind; so regulate supply and demand or production and human needs that every human being shall have an opportunity and an inducement to earn and secure with his own labor or effort all of those things which he may reasonably need.

In an address which I delivered before the American Federation of Labor at its fifty-second annual convention in Cincinnati, November 22, 1932, I said:

During the depression it was suggested that we have a dictator. We will continue on as an all-American Government under our Constitution.

Normal times—yes, prosperous times—will come to us through the stabilization of industry and agriculture. In our zeal to produce, science has played a very prominent part. Our farmers now make three blades of grass grow where one grew before. It is also harvested with less man power. It is the same in industries. We are building factories now and operating them, not alone without skilled labor, but without man power to handle the material from the time it enters the machine until it comes out a finished product. This means to both agriculture and industry, overproduction.

We claim to be an intelligent democracy. We know what causes this overproduction, and yet we fail to regulate it or find a way to distribute it to the consumer. In other words we have not yet found a remedy. However, we continue to find fault with the system that permits it. Kingdoms, dictatorships, and democracies have been wrestling with this problem of overproduction for centuries, yet we continue on with it.

It is not necessary for me to go into details with you representatives of labor as to how modern machinery has increased production in the United States. However, I might say that we can now produce all the coal, textiles, boots and shoes, steel, and other basic products needed for normal consumption in six months. Authorities inform us that if we return to normal employment to-day, because of modern machinery, we can employ just a little more than half of the unemployed.

It will be difficult to regulate this great industrial machine because it has developed into one of the most complicated and interlocked machines that we have ever known. I want to repeat again that if we regulate production in the United States for normal consumption to five days' work, and still not take into consideration our competitors of other lands, with their competing production, we will be confronted with the same problem again.

Again I said:

In some quarters it has provoked a spirit of pessimism alien to anything seen before in our American history. Some have even begun to query whether we shall ever recover from the blow, while others have been telling us that our only hope lies in abolishing capitalism and setting up a new economic order modeled on abolishing our present system and taking up other economic theories. So far as any of those theories ever being put into practice, we find the people therein suffering from the same difficulty. It seems to me that our present troubles are in a large measure due to failure of the past plan. For pessimism is a disease of the mind, so likewise is optimism that fails to consider causes and consequences. The philosopher who walked with his gaze always directed toward the stars eventually tumbled into a ditch and was badly hurt. Much of our optimism during the past few years, our belief that hard times could not come again, have led us to believe anything that we wanted to believe, even when it was opposed to every economic law that had been discovered in the last 150 years, has been quite as foolish as the wandering of the philosopher who, in order to keep his eyes on the stars, paid no attention to the ground over which he was walking. We have defied economic laws as Ajax who defied the lightning; but we have no more overcome them than the defiance of Ajax rendered harmless the awful thunderbolts of the sky.

A wise man plans, and a wise government should also plan.

The idea of planning has been very much opposed by the economists of the laissez faire school and the school of politicians that follow them. It is feared that the whole laissez



faire theory would be repudiated by the very idea of planning and it is regrettably noted that some of our very finest men personally are so wedded to this theory that they would rather see our whole civilization smashed than to see this doctrine of economics discarded.

They agree with the worker in the shop when you say that our civilization is going to smash, and say, "Let her go, Gallagher," provided we can retain the doctrine of laissez faire as the center and core of whatever civilization is to follow, but it will not be the center and core of whatever civilization is to follow if this one must fail, nor is it going to be permitted to remain the center and core of this one. We will do well to plan as outlined by the able junior Senator from New York [Mr. WAGNER]. Recent visitors to Europe report to me that most of the German workers turn a deaf ear to those who "rail" at the soviet system, and reply that they would rather trust the people who have a plan than trust those who have no plan and are opposed to all planning.

If this so-called technocracy is a challenge, we will meet it, and, so far as the government of technocrats is concerned, I am satisfied that the good, common sense of the American people will not accept it even though they have been, as the newspapers inform, encouraged by such men as Nicholas Murray Butler, president of Columbia University, as well as professors of Harvard University, and practically a solid phalanx of the leading engineers. Might it not be in the consciousness of the people that just as Emerson says:

Up from the heart of nature rolled  
The burdens of the Bible old.

So up from the heart and mind of the masses of mankind comes the only reason for economic systems, industrial systems, political systems. Let us meet it in the consciousness that institutions must be made for man and not man for institutions, and that we must control them for the continuance of human life and human society.

The political significance of technocracy, while it is quite obviously intentionally left obscure in the article emanating from the committee of engineers, becomes more and more apparent by the very reason of this obscurity. As Emerson says about the parents' attempts to keep secrets from their children—

We scream into their ears the things we would conceal from them.

So with this commission of technocrats. The loudest things they say are those about which they are silent. Already throughout the country engineering clubs are being formed and initiated into the mysteries of the political significance of technocracy, and in the West the American Technocratic League has already been launched to group these isolated clubs into a political party. A senator in the Legislature of Oklahoma presented a resolution on Monday, January 9, proposing that the chairman of the senate should "appoint an investigating committee to define technocracy and find out what it is all about." Under date of January 7, the Associated Press sent out the following very significant news item which appeared in the Washington Sunday Star of January 8, which I ask may be inserted in the RECORD without reading.

The VICE PRESIDENT. Without objection, it is so ordered.

The article is as follows:

[From the Washington Star, January 8, 1933]

**TECHNOCRATS' AIM IS CONTROL BY PEOPLE OF ALL PRODUCTION—LEAGUE FORMED IN DENVER HAS KEYNOTE IN OWNERSHIP RESOURCES AND MACHINES BY PUBLIC**

DENVER, January 7.—Ownership and operation by the people of natural resources and the machinery of production and distribution, under the direction of experts, is the keynote of the platform of the American Technocratic League, formed here this week.

Franklin P. Wood, Denver, consulting engineer and acting president of the league, announced the platform to-day, saying he had been deluged with letters from all parts of the country asking for information about the organization.

"We have gone further than the original group of technocrats in New York, who have merely given out a mass of facts and statistics without suggesting any immediate action for reform of existing conditions," said Wood. "The American Technocratic League was founded not merely to talk about conditions but to

do something to change them for the better. We have prepared a program or platform to that purpose.

"The platform proposes that constitutional power over finance and currency be exercised by the people as a means of acquiring and controlling the development and operation of natural resources and industry.

"Natural resources and industry of the country would be taken over by constitutional means, by voluntary purchase, by condemnation with compensation, by initiation of publicly owned business, or by other means necessary to promote the general welfare.

"Technocracy will be merely a high-sounding word if it is not applied. The American Technocratic League intends to educate the public so that it can successfully be applied quickly. We believe that the chief reason for criticism of technocracy is that little constructive in the way of change has been suggested."

Mr. DAVIS. Mr. President, naturally the keen political mind of Alfred E. Smith looked through the technical verbiage of the material put out by this committee and first given publication through his own magazine; he saw with his keen eye the political significance of it all, and in the January issue has a very significant editorial. I ask permission at this point to insert a part of the editorial in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The editorial is as follows:

New Outlook is glad to present the story of technocracy. As I indicated in the first issue, this magazine is a forum for public discussion. The editors do not necessarily subscribe to everything that is printed outside of the editorial columns, and we invite discussion and debate. Pursuant to this policy, and in the hope that it will invite further discussion, I am giving here a few comments of my own on technocracy based on reading the articles on this subject in the last two issues.

Every now and then some one discovers a new system which is bound to revolutionize all government and the entire economic system. When the initial excitement dies down, it is always found that changes in these fields are gradual and that we have mistaken new words for new principles.

The thesis of technocracy is that we have developed labor-saving machines so fast that there is less and less work for men; that our output of all kinds of things is increasing beyond public consumption, and that we must have some kind of a new government by scientists and engineers who will plan a nice balance of machine production and human consumption so that everybody will have both necessities and luxuries for his family by working only three or four days a week. In order to accomplish this, the present price and profit system must be abolished and some new motive or reward for work must be set up. Exactly what the new motive and reward is to be does not yet appear, but it is to be something entirely different from what they are aiming at in Soviet Russia. Because of our wealth of natural resources and peculiar geographical location, the North American continent has the best possibilities on earth for the development of the new technological state. I think this is a fair summary of the objects of technocracy.

In order to arrive at the above summary, it has been necessary to wade through a great mass of language which is almost unintelligible to anybody but a doctor of philosophy or an engineer.

Take for instance this question from one of the articles: "The method of arriving at social decisions in a dynamic continent-wide mechanism where the element of change intrudes itself into every national rate of flow of goods or services must be such that the intolerance or precision must be obtained in quantitative units peculiar to the rate which is being measured. It follows that this civilization on the North American continent must be operated on a thermodynamically balanced load."

Or, for example, the following: "Russia, in its Parthian retreat from capitalism," Scott says, "has scored but a Pyrrhic victory. It mistook the name tag of a phase of the price system for its entirety. It left the tag and took its essential mechanics. A social approach based upon the substitution of a Hegelian dialectic for an Aristotelian dialectic may be an interesting intellectual pastime but of no functional importance, an example of the recrudescence of philosophic futility of European tradition."

If the technologists really expect to convert the great mass of people to their views and to persuade them to abandon politicians for engineers, they will have to adopt a language which can be understood by the farmer in the Corn Belt, the steel worker, the miner, and the small shopkeeper as well as the Ph. D. I should not care to guarantee what would happen to the dress shirt of a speaker who used the kind of language I have just quoted before some of the audiences I have known. It might even be difficult to insure his life. After all, it ought to be possible to clothe even the deepest thoughts in simple language.

Another observation which occurs to me is that the technologists are unnecessarily intolerant of existing systems and leaders. It seems to me that nothing much is gained for this new philosophy by denouncing all politicians and statesmen as demagogues and all business men as fools, or by the statement that in the next two years America will witness "a procession of the dumb, the halt, and the blind, stumbling from one futile gesture to another—from the mild buck-passing program of 'share the work' to the antici-



pated probable legislation of rent and private-debt moratoriums, to those twins of finality, the dole and complete inflation." Nor will they hold the attention of thinking people by making extravagant claims without adequate evidence. For example, I read in one of the articles that technocracy "has made invalid every old social, political, and economic postulate now in use. It has rendered political systems useless. It has sounded the death knell of old methods of exchange. It has shelved permanently the necessity for private enterprise and savings. It has made sterile the moral concepts of the virtue of labor. By its pervasive force in changing man's whole outlook upon life, it has opened the way for the greatest release of the so-called human values in history. It has provided the way for the elimination of individual greed and the enjoyment of leisure by everyone." This is a pretty big order which is hardly substantiated by what follows.

The engineers dispose of whole nations in summary fashion. For example, they report that England, with only one energy source left (coal) is going farther and farther down each year and shortly will be just two islands off the coast of Europe, which will be compelled to make a free gift to the colonies of a surplus population of 35,000,000.

It is true that they give some very interesting illustrations to show how fast machines are displacing human labor and how much more we can make with machines than human beings could make before, but even these illustrations raise a great many doubts. We are told, for instance, that a technologist can produce a razor blade with a tungsten carbide edge on a steel wafer base at 20 per cent above the cost of the blade to-day, and that the new blade will last a lifetime or longer. Also, that there is a plant called "ramie," which can be made into suits that will wear seven times as well as wool and several hundred times as well as cotton. Ramie can be made into indestructible paper cheaper than wood pulp, has a luster similar to silk, is stronger wet than dry, takes dyes, and has all kinds of other possibilities. Similarly, we hear that an automobile has been designed with rustless steel and frictionless bearings, which can go over 300,000 miles without repair and will cost only 50 per cent more than present automobiles. At the end of 4 years enough of these cars could be manufactured so that no more automobiles would be needed for the succeeding 50 years. We are told, too, the technologists can produce shoes which will wear two and a half years, and a road-building machine operated by two men which can tear up an old road, lay foundations, and lay pavement 60 feet wide at the rate of 8 miles a day.

These illustrations are interesting, but doubts will occur to the reader. For example, what is holding up the manufacture of the lifelong razor blade, the 2½-year shoe, the 15-year suit, and the 8-mile-a-day paving machine? How long will it take to plant enough ramie to meet the needs of the market, and may it not develop some bug or pest which will eat it up, as the boll weevil eats the cotton and the blister rust ruins our trees? What is going to become of fashions and styles and the normal desire of the average woman to buy new clothes and keep up with the times? Don't we all have a lot of old clothes camphored away which are still intact and uneaten by moths, which we don't wear excepting at masquerades because we are afraid that if we appeared in them in public we would be laughed off the streets? Is the technologist going to abolish little touches of human nature like that? And the automobile that will run over 300,000 miles—is it going to cost 50 per cent more than a Ford or 50 per cent more than a Rolls Royce? If it is the latter, then we need not worry about the early replacement of the present type of cheap cars.

There are plenty of shoes to be bought to-day at \$15 a pair which will last for years. I have shoes that are 10 years old myself. The trouble is that the average fellow doesn't have the initial \$15. Perhaps, when the price system is abolished, everybody can afford \$15 shoes, which perhaps at that time will be the equivalent of a bale of Vermont hay or a mess of Long Island foundlers.

When I am told that at the present rate we will have 25,000,000 unemployed in 1934 on account of increase in machine efficiency, without taking into account the depression, I look for considerable proof of such figures, but find none.

In spite of these doubts, I think it is a fine thing that a group of young men should be studying these problems in their laboratories and libraries, that they should be skeptical about present conditions, and that they should have the nerve, independence, and the originality to tackle the great problem of reorganizing the entire Government and the social and economic structure under which we live. Undoubtedly much good will come from a discussion of their plans. They present real problems for statesmen to solve. On the other hand, when it comes to discovering entirely new principles which are going to change human nature overnight, I refuse to get excited, and choose rather to believe that the Bible was right when it said that there is no new thing under the sun.

Mr. DAVIS. The New York Times, on Wednesday, January 4, meets Mr. Smith with a very significant editorial, which I ask to have printed in the RECORD as a part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The editorial referred to is as follows:

#### "AL" ON TECHNOCRACY

Former Governor Smith doesn't receive with proper submissiveness the message of the new rulers of the new world which they have spun out of the cobwebs in their brains. He insists that if the technocrats expect to be listened to, they must use intelligible language. But the philosophy of philosophies is entitled to its own terminology. If it be obscure, that must be because new and powerful thoughts find ordinary words unequal to them. Into blind alleys, over impassable, through intricate mazes, by every means the inspired idea, crowding language, tries to make room for itself. The new world needs a new language.

Himself tolerant after years of experience among men and affairs, Mr. Smith objects to what seems to him intolerance on the part of the technocrats. Why must they arraign all politicians, statesmen, and business men as fools? Well, men to whom has come, after long years revelation of the absolute truth have a right to be impatient with the rest of us. Mr. Smith accuses the founding fathers of technocracy of "making extravagant claims without adequate evidence." The claims are themselves evidence, and the best of evidence, to persons who are not, like Mr. Smith, of too little faith in this latest manifestation, which makes the prophets of the new era of perpetual prosperity in 1929 look like small potatoes. He even expresses disbelief in the beautiful poem which tells us that technocracy "has made invalid every old social, political, and economic postulate now in use. It has rendered political systems useless. It has sounded the death knell of old methods of exchange. It has shelved permanently the necessity for private enterprise and saving. It has made sterile the moral concept of the virtue of labor. By its pervasive force in changing man's whole outlook upon life it has opened the way for the greatest release of the so-called human values in history. It has provided the way for the elimination of individual greed and the enjoyment of leisure by everybody."

Why is Mr. Smith such a hunker as to doubt this modest recapitulation of the greatness of things done by technocracy? He is even incredulous when the technocrats tell him that, because of the increasing use of the machine, 25,000,000 persons will be out of work in 1934. He would have shown a better spirit if he had admitted that everybody will be out of work by 1940 if technocracy hasn't made a clean sweep of all the old rubbish long before that date. Mr. Smith wants to know "what is holding up" the manufacture of the razor blade that lasts a lifetime, the shoes that are good for two years and a half, the suit of clothes that is as good as new at the end of 15 years. The obvious answer is a conspiracy among manufacturers. He thinks that the women won't consent to wear old clothes. Surely, if greed is going to be knocked out of the human constitution, the desire for novelty, obedience to fashion, and such a trifle as the desire for beauty can be destroyed as easily. The new woman will love old duds.

As an old-world business man Mr. Smith asks the cost—since price has been abolished—of the automobile, technocrat model, that will run 300,000 miles. Doubtless the masters of the new world will be glad to satisfy his curiosity. The distance is nothing to that which will be covered by the literature of technocracy—if it outlasts the year.

Mr. DAVIS. Mr. President, many people, and their number appears to be growing, seem to think that the Government, if it only would, could give them a job. This is one of the delusions that must be guarded against. No government, not even the richest, can perform the impossible. A job is something that some one wants done, and how is the Government going to find out what is and what is not desired by the Smiths, Browns, and Robinsons, who constitute the mass of our population? If governments have failed because they have often done too little, they have failed quite as often because they have tried to do too much.

This means that the Government can not and should not interfere with the employment of individuals for individual purposes. But corporate employment is another sort of employment. It gets its power from the State, and the corporation controls the machine that is the extension of the man's hand. If overproduction reduces employment, then the State would have the right to shorten the hours of labor to prevent it.

We find this more or less true with our foreign competitors who are confronted with the same problem, and who, without reducing the hours of labor, prevent industries from closing down on the ground that it puts upon the State the cost of providing for the unemployed. They insist that industries continue to operate even though there is no sale at a reasonable profit for the factories' production, and make a market wherever they can by dumping or otherwise, because the balance on the wrong side of the ledger of the industry is made up by the government. The government finds this much cheaper than maintaining the unemployed worker.



The worker knows this and in his mind new issues and new ideas as to the functions of government are being formed. The fact is there are now being formed subconsciously in the minds of the American people ideas as to those problems which are nearest the hearts and pocketbooks of the great masses; and if our old political parties do not take up these issues in a constructive and intelligent way, we will find a new political party organized that will do it.

I am not casting any reflection on the issues brought forward by both parties in the last campaign, but we are past the day of using unemployment and the fear of losing one's job as a campaign shibboleth to frighten the people into electing men to office. We are finding out that men do not care so much about party platforms—what they want is a job. The people have the ballot in their hands and are unafraid.

Mr. President, is not this what the laboring man wants to be—a part of society, of industry, of the social whole, and not merely one of its implements? In the future the people will have nothing to do with the fellow who does not know what to do. If constructive thinkers are not forthcoming, the people will do some constructive thinking themselves.

The workers of this country are tired of being frightened by the terrible pictures that can be drawn from the horrible side of our social structure, and which give no hint of how the agencies which produce such conditions can be eliminated from the social structure, and agencies of peace and happiness be put in their stead. They are tired of the artists of the type of Gustave Doré whose marvelously terrible illustrations of the Bible will be remembered—those horrible pictures which made the children afraid to open the Book. And they have decided or will decide that Doréism in politics must go, as through and back of it all they look for a Michelangelo's Moses to represent the real beauty and force and power of the Book and its story, and they will look for this Moses in the bulrushes—not in a university. They will remember that He taught the fishermen on the Lake of Galilee, the carpenters who worked by His side—the dyers and weavers who knelt to learn at His feet.

I know of no scheme of government, no social system ever having been handed down to us from the universities or from the top. Christianity came to us from the bottom. From the manger in Bethlehem it was carried by St. Paul to the slaves in Rome, where it became such a power underground that its influence was sought by those who saw nothing in it but its voting strength, and by their promises it was led astray, it is true, for a time. The Christian slaves and freedmen of Rome—those whom pomp and power looked upon as the rabble and hoipolloi—were induced to vote for Constantine upon his promise to recognize them. Lyman Abbott, former editor of Outlook Magazine, said: "In Constantine Christianity gained the whole world, and lost its own soul." I am sure that the last five words of Doctor Abbott's assertion will not come true; but nevertheless the same compromised Christianity that came up from the masses, shattered the gilded civilization of a pagan past, and wrote somewhat of its political opinions into the constitutional law upon which our Nation rests.

One of the best things, if not the best thing, that Rudyard Kipling ever wrote was—

The toad beneath the harrow knows  
Exactly where each tooth point goes.  
The butterfly above the road  
Preaches contentment to that toad.

If we want a true social philosophy and true political economy, a practical and constructive platform for a durable political party, we must get it from the masses, and we must stay with and be true to the masses, who know and know that they know, for the record and documentary evidence of their knowledge is in the scars left upon them and engraven in their memory. I say, Mr. President, we are not going to scare the workers of this country by pictures, or even threats of the destruction of a civilization that has been built upon their backs. They realize that whenever a civilization has gone down in the past, it has resulted in mankind coming up

at least a little bit. The destruction of every civilization built upon slavery in any form—physical, intellectual, spiritual, or financial—has resulted in a little more freedom, a little more liberty, and a little less slavery. Whenever earthquakes depress or sink a portion of the earth's surface at one place, somewhere else an island is lifted up out of the sea. As individuals we grow impatient, angry, and sometimes even malicious, but mankind can wait—it never gets mad, at least not all over. Time is not of the essence of happiness.

The development of machinery has made the shortening of the hours of human labor imperative. To-day the working men are demanding a 5-day week and some are talking of a 6-hour day—that is to say a 30-hour week. Would to God the manufacturing establishments of our country were now working 30 hours a week or even half of it, and it is rather amusing, to say the least, to hear the manufacturer whose plant is shutdown, and has been for a year, roar most vociferously against the 30-hour week or shortening of the hours of labor. Too few plants are working five days a week at the present time or average six hours a day, to make the instant adoption of this scheme bring us adequate immediate relief from unemployment. As I have stated in public speeches on the authority of the Commissioner of Labor Statistics, there could be twice as much unemployment as there is, and those remaining could produce with our present equipment all the manufactured goods that all could use, and the factories could not even then operate full time. In agriculture this is certainly true in the production of wheat, and it is also true of many other things.

The committee of engineers in launching this report claimed to foresee the time when 3 or even 2 days' work of 6 or even 5 hours each per week will give to every worker all that he needs for the ordinary requirements of life. I hope this is true, but I do not see how it is to be brought about when one considers that they reduce a man to the energy equivalent of one-tenth of a horsepower, and pit him against Muscle Shoals and Niagara Falls, which so far as I can see are still to remain under private ownership and control.

Human beings are directly and indirectly the only consumers of all products, whether mechanical or agricultural, and hence human beings must have the purchasing power which will enable them to procure all the products of mechanized industry and agriculture. Certificates of electric productive energy in the hands of men who do not want or can not use the products of that energy will be no more useful than are our gold certificates locked in the vaults of men who do not want anything they can buy with those certificates.

So, Mr. President, I am in favor of leisure; I am in favor of leisure for the masses; in favor of leisure for everybody. Leisure is necessary for culture—for that reading and thinking which have lifted certain classes, and will as easily lift the masses, above the primitive man, and with that culture which comes from leisure will come increased demand for such things as we now have, and for a finer quality of the things we now have. With that increased culture will come a demand for very very many things which even now are undreamed of, and with that universal culture and that unlimited supply of electrical productive energy which the committee tells we have, it may be possible to produce in two short days each week all that our people would care to consume. The difficulty is that we are still left in absolute darkness as to how we are to couple up this miraculous production with this refined and magnified consuming ability.

Mr. President, the "technocrats" are attempting to solve all the problems of the day. Most of us would be very happy if they could settle just one question pending before the Congress of the United States, namely, that of farm relief. However, we are indebted to them for the widespread publicity they have given to the displacement of workers by machinery.



## EXHIBIT A

[Excerpt from Report of Commissioner of Labor, March, 1886]  
MACHINERY AND OVERPRODUCTION

Machinery—and the word is used in its largest and most comprehensive sense—has been most potent in bringing the mechanically producing nations of the world to their present industrial position, which position constitutes an epoch in their industrial development. The rapid development and adaptation of machinery in all the activities belonging to production and transportation have brought what is commonly called overproduction, so that machinery and overproduction are two causes so closely allied that it is quite difficult to discuss the one without taking the other into consideration. That labor-saving machinery, so called, but which more properly should be called labor-making or labor-assisting machinery, displaces labor temporarily can not successfully be denied. All men of sound minds admit the permanent good effects of machinery; but the permanent good effects of it do not prevent the temporary displacement of labor, which displacement, so far as the labor displaced is concerned, assists in crippling the consuming power of the community. A few illustrations relative to the displacement of labor by the introduction of machinery, if of no value in themselves, are of historic value in preserving the growth of industrial systems and the changes which come with them, and are therefore given in this chapter. It has been very difficult to gather positive information illustrating points so thoroughly apparent; yet the bureau has been able, and from original sources largely, to bring together a mass of facts relating to the temporary displacement of labor and to conditions of industry and of society which would exist without the presence of power machinery. These illustrations show positively the influence of inventions in bringing about industrial depression.

In the manufacture of agricultural implements new machinery during the past 15 or 20 years has, in the opinion of some of the best manufacturers of such implements, displaced fully 50 per cent of the muscular labor formerly employed; as, for instance, hammers and dies have done away with the most particular labor on a plow. The proprietors of an extensive establishment in one of the Western States have furnished the bureau with the following table:

*Displacement of muscular labor by machinery in the manufacture of agricultural implements*

Department	Number of employees			Proportion
	Required with machinery	That would be required without machinery	Displaced by machinery	
Engine.....	60	540	480	1 to 9.
Boiler.....	70	210	140	1 to 3.
Foundry.....	110	165	55	1 to 1½.
Woodworking.....	60	300	240	1 to 5.
Setting up.....	50	50	—	1 to 1.
Blacksmiths.....	45	90	45	1 to 2.
Machinists.....	45	405	360	1 to 9.
Erecting room.....	35	70	35	1 to 2.
Paint shop.....	30	30	—	1 to 1.
Teamsters.....	10	20	10	1 to 2.
Pattern making.....	5	40	35	1 to 8.
Draft room.....	15	150	135	1 to 10.
Tool room.....	10	10	—	1 to 1.
Shipping and stock.....	30	30	—	1 to 1.
Lumber.....	10	10	—	1 to 1.
Bolt and nut.....	5	5	—	1 to 1.
Belt.....	7	14	7	1 to 2.
Watch.....	3	6	3	1 to 2.
Total.....	600	2,145	1,545	1 to 3.57.

By this table it is shown that in the establishment cited 600 employees are doing the work which, under former conditions, would have required 2,145 employees, a displacement of 1,545.

In the manufacture of small arms, where 1 man, by manual labor, was formerly able to turn and fit 1 stock for a musket in 1 day of 10 hours, 3 men now, by a division of labor and the use of power machinery, will turn out and fit from 125 to 150 stocks in 10 hours. By this it is seen that 1 man individually turns out and fits the equivalent of 42 to 50 stocks in 10 hours as against 1 stock in the same length of time by manual labor, a displacement of 44 to 49 men in this one operation.

In brick making improved devices displace 10 per cent of the labor, while in manufacturing fire brick 40 per cent has been displaced, and yet in some concerns, in manufacturing various kinds of bricks, no displacement has occurred.

The manufacture of boots and shoes offers some very wonderful facts in this connection. In one large and long-established manufactory in one of the Eastern States the proprietors testify that it would require 500 persons working by hand processes to make as many women's boots and shoes as 100 persons now make with the aid of machinery—a displacement of 80 per cent. In another class of the same industry the number of men required to produce a given quantity of boots and shoes has been reduced one-half. In another locality, and on another quality of boots, being entirely for women's wear, where formerly a first-class workman could turn out six pairs in one week, he will now turn out 18

pairs. A well-known firm, engaged in manufacturing boots and shoes in the West, states that in the grade of goods manufactured by it, it would take 120 persons working by hand to produce the amount of work done in its factory by 60 employees, and the handwork would not compare in workmanship and appearance, as expressed by the concern, by 50 per cent. Goodyear's sewing machine for turned shoes, with one man, will sew 250 pairs in one day. It would require eight men working by hand to sew the same number. By the use of King's heel shaver or trimmer one man will trim 300 pairs of shoes a day, where it formerly took three men to do the same. One man, with the McKay machine, can handle 300 pairs of shoes per day, while, without the machine, he could handle but five pairs in the same time. In nailing on heels, by the use of machinery, one man and a boy can heel 300 pairs of shoes per day. It would require five men to do this by hand. In finishing the bottoms of shoes, one man with a sand-papering machine can handle 300 pairs, while it would require four men to do the same by hand. A large Philadelphia firm, engaged in the manufacture of boys' and children's shoes, states—and the foreman of the establishment corroborates the evidence—that the introduction of new machinery within the past 30 years has displaced about six times the amount of hand labor required, and that the cost of the product has been reduced one-half. On another grade of goods, manufactured in Maine, the facts collected by the agents of the bureau show that one man can now do the work which 20 years ago required 10 men.

The broom industry has felt the influence of machinery, the broom-sewing machine facilitating the work to such extent that each machine displaces three men. One large broom-manufacturing concern in 1879 employed 17 skilled men to manufacture 500 dozen brooms per week. In 1885, with 9 men and the use of machinery, the firm turned out 1,200 dozen brooms weekly. Thus, while the force is reduced in this one establishment nearly one-half, the quantity of brooms sewed is much more than doubled.

In the construction of carriages and wagons, a foreman of 50 years' experience testifies that the length of time it took a given number of skilled workmen, working entirely by hand, to produce a carriage of a certain style and quality was equal to 35 days of 1 man's labor, while now 1 man produces substantially the same style of carriage in 12 days.

In the manufacture of carpets, some of the leading manufacturers in the country, and men of the largest experience, consider that the improvement in machinery in the past 30 years, taking weaving, spinning, and all the processes together, have displaced from ten to twenty times the number of persons now necessary. In spinning alone it would take by the old methods from seventy-five to one hundred times the number of operatives now employed to turn out the same amount of work, while in weaving there would be required at least ten times the present number. A carpet-measuring machine has been invented which brushes and measures the product at the same time. By the use of this device 1 operator will accomplish what formerly required 15 men.

In the manufacture of clothing, where all cutting was formerly done by hand, much of it is now done by the use of dies. In cutting out hats and caps, a man working improved cutters is able to cut out a great many thicknesses at once, and he does six times the amount of work with such a machine as could formerly be done by one man in the old way. The same is true to a certain extent in cutting out garments. On the whole, in an establishment for the manufacture of hats of medium grade, one man does the work now of three formerly, and the product is far superior to that produced in the olden times. In the manufacture of some kinds of hats, especially soft and stiff hats, experienced men consider that there has been a displacement in the proportion of 9 to 1.

The cotton-goods industry offers, perhaps, as striking an illustration as any of the apparent displacement of labor—a Delaware house considering that the displacement has been 17 per cent outside of motive power. By a hand loom a weaver used to weave from 60 to 80 picks per minute in weaving a cloth of good quality, with 20 threads of twist to each one-quarter square. A power loom now weaves 180 picks per minute of the same kind of cloth. Even in power machinery a weaver formerly tended but one loom. Now one weaver minds all the way from 2 to 10 looms, according to the grade of goods. In a large establishment in New Hampshire, improved machinery even within 10 years has reduced muscular labor 50 per cent in the production of the same quality of goods. In another line of goods manufactured in the same State machinery has displaced labor to the amount of one-third the number of operatives formerly required. In the days of the single spindle handwheel one spinner, working 56 hours, could spin 5 hanks of No. 32 twist. In England at the present time, with one pair of self-acting mules, having 2,124 spindles, one spinner, having the assistance of two boys, will produce 55,098 hanks of No. 32 twist in the same time, when the mules are running at the moderate rate of 3 stretches in 45½ seconds. It is quite generally agreed that there has been a displacement, taking all processes of cotton manufacture into consideration, in the proportion of 3 to 1. The average number of spindles per operative in the cotton mills of this country in 1831 was 25.2. It is now about 72, an increase of 185 per cent. Along with this increase of the number of spindles per operative there has been an increase of product per operative of 145 per cent, so far as spinning is concerned. In the olden time in this country a fair adult hand-loom weaver wove from 42 to 48 yards of common shirting per week. A weaver, tending six power looms in a cotton factory of to-day, would produce 1,500 yards a week.



In the manufacture of flour there has been a displacement of nearly three-fourths of the manual labor necessary to produce the same product.

In the manufacture of furniture from one-half to three-fourths only of the old number of persons is now required.

In the glass industry no particular improvements have been made by which labor has been displaced to any material extent. What improvements have been introduced increase the product in some features slightly, and have improved the quality. In the manufacture of glass jars and some kinds of bottles the introduction of machinery has, however, caused a displacement in the proportion of 6 to 1, and in polishing plate glass there has been a large displacement, and also in the grinding department of plate-glass manufacture.

In leather making, in some grades of morocco, there has been an apparent displacement of perhaps 5 per cent, and in the manufacture of patent leather nearly 50 per cent.

In the lumber business, 12 colaborsers with a Bucker machine will dress 12,000 staves. The same number of men, by hand processes, would dress but 2,500. In many departments of lumber manufacturing there has been much displacement of labor.

A saving of about 25 per cent is made in the manufacture of machines and machinery over the hand methods. By the introduction of screw-cutting and boring machines in brass-finishing shops, a given number of hands will secure 40 per cent greater production. A pneumatic molding machine has reduced the number of employees for a given quantity of product.

In the production of metals and metallic goods, long-established firms testify that machinery has decreased manual labor 33½ per cent. A great saving has been made in the production of pig iron during the last half century, Pittsburgh producers placing the saving at 20 per cent over the simple country furnace. By the use of improvements and inventions during the past 10 or 15 years in hammers used in the manufacture of steel, there has been a displacement of employees in the proportion of nearly 10 to 1. A first-class journeyman can make from 600 to 1,000 2-pound tin cans per day by hand process. By the use of machinery he can make from 2,000 to 2,500 per day. In making lard palls, a machine is in use by which 1 man with 1 boy as tender, can produce as much as was formerly produced by 10 skilled men. In 1876 certain kinds of tinware were made by the old processes by the gross, a skilled workman making a gross in about one and a half days. By the use of improved machinery the workman can now turn out five times as much produce in the same time. In the manufacture of bread boxes what was done in 1876 by 13 men and women working together is now accomplished by 3 men.

One boy running a planing machine in turning woodwork for musical instruments and materials does the work of 25 men. In the manufacture of sounding boards, 15 men can turn out 5,000 boards per month, or 278 per day, where a good man formerly could make but 4 in a day by the old method.

A mining company in Missouri has 100 miners, getting out 200 tons of coal per day. They have 2 machines, which, with 14 men, mine 40 tons per day. If 100 men without machines get out 200 tons per day, 1 man will get out 2 tons per day, or 52 tons per month. If 14 men with 2 machines get out 40 tons per day, 1 man with machine will get out 2½ tons per day, or 74½ tons per month. Therefore, 1 man with a machine gets out 22½ tons per month more than the man without a machine. This, worked out fully, shows that the machine displaces 6 men, on the basis of the employment of 100 miners without machines and 14 miners with machines. In a phosphate mine in South Carolina 10 men accomplish with machinery what 100 men handle without in the same time. In the Hocking Valley mining coal by machines is experimental at present. In one place, however, mining machines, employing about 160 men, produce in a month's work about the same amount of coal that 500 men will produce by hand, working the same number of days.

The oil industry in Pennsylvania has been affected a good deal by inventions. In the early days of petroleum every barrel of the liquid had to be hauled from the wells to the railroads, sometimes a distance of 10 or 15 miles. The railroads then carried it to distant parts of the country or to the seaboard to be refined and shipped abroad, the cost of all this transportation being from \$1 to \$3 per barrel. All this work is now done by the National Transit Co., controlled by the Standard Oil Co. When a well is completed, the pipe line's agent connects the well in a few minutes with the main line's tanks. The producer or the owner of the well pays nothing for having his oil transported through the pipe lines, but pays 50 cents per day storage for every 1,000 barrels he has in the tanks of the company, and the consumer or refiner pays 20 cents per barrel upon the receipt of the oil for transportation, so far as Pittsburgh and vicinity are concerned, while the receiver for New York and distant places pays something more. Some of the producing territory is quite remote, and 10 barrels per day would be a very liberal average to allow for a team of horses to transport to the railroads. On this basis the pipe lines displace 5,700 teams of horses and double that number of men in handling the oil, the production of the country being placed at 57,000 barrels per day.

It is very difficult to get at the exact displacement of labor in the manufacture of paper, but a machine now used for drying and cutting, run by 4 men and 6 girls, will do the work formerly done by 100 persons, and do it very much better. This is the testimony of one of the leading houses while another states that the apparent displacement by machinery is illustrated by the fact that 6 men can now produce as much per day on a given sample

as 100 men could produce in 1800 or an approximate grade. A well-known firm in New Hampshire states that by the aid of machinery it produces three times the quantity, with the same number of employees, that it did 20 years ago. In the manufacture of wall paper the best evidence puts the displacement in the proportion of 100 to 1.

In pottery, in South Carolina, the product is ten times greater by machine processes than by muscular labor; while in the better grades of pottery, as produced in New Jersey, there has been little or no displacement.

In the manufacture of railroad supplies there has been a displacement of 50 per cent of the labor formerly required, while in some features of the manufacture of cars there has been a displacement of three times the labor now employed. This is the testimony of several well-known firms.

There has been a displacement of 50 per cent in the manufacture of rubber boots and shoes.

In the manufacture of saws experienced men consider that there has been a displacement of three men out of five. Ten years ago grinding was done by hand. Now it is done by machinery.

In silk manufacture 40 per cent represents the displacement, according to some authorities, in the general manufacture, while in weaving there has been a displacement of 95 per cent, and in winding of 90 per cent.

A large soap-manufacturing concern very carefully estimates the displacement of labor in its works at 50 per cent.

Tobacco manufacturing now requires in Illinois but one-eighth the former force of laborers to produce a given quantity. There has been a great displacement of labor in the manufacture of cigars but the exact ratio of displacement has not been ascertained.

In making trunks there has been a displacement of perhaps 5 per cent.

In building vessels an approximate idea of the relative labor displacement is given as 4 or 5 to 1—that is, four or five times the amount of labor can be performed to-day by the use of machinery in a given time than could be done under old hand methods.

In making wine in California, a crushing machine has been introduced with which 1 man can crush and stem 80 tons of grapes in a day, this representing an amount of work formerly requiring 8 men. It would require 4 hand crushers, with 2 men at each, to accomplish this amount of work.

In wooden goods one man with a machine does the work formerly done by three men on hand lathes.

In woolen goods, in the carding department, modern machinery has reduced muscular labor 33 per cent; in the spinning department, 50 per cent; and in the weaving department, 25 per cent. This is during the past few years only, while generally improved machinery in spinning and weaving departments together has displaced twenty times the hand labor formerly employed, and in other departments from five to ten times. In some kinds of spinning 100 to 1 represents the displacement, nearly all concerns agreeing that the displacement during the last 10 to 20 years has been 25 per cent. An establishment in Indiana has worked out the displacement of muscular labor by machinery very carefully and in the following ratio: In weaving woollens, 1 machine equals 6 persons; in spinning, 1 machine equals 20 persons; in twisting, 1 machine equals 15 persons; in picking, 1 machine equals 40 persons; and in carding, 1 set of patent carders will turn out more in 1 day than the old carders would in 1 week. Other houses engaged in the manufacture of the same kind of goods give the same figures.

Very many other features of manufacturing might be cited were the facts necessary for the illustration of this topic. In box making, in all the processes of the manufacture of books and newspapers, in jewelry, and, in fact, in nearly every department of production, statements as positive and emphatic as those made for the industries examined might be secured. There are one or two general illustrations, however, of the most striking nature, which may be considered the epitome of the influence of steam and of power machinery.

The mechanical industries of the United States are carried on by steam and water power, representing, in round numbers, 3,500,000 horsepower (a) each horsepower equaling the muscular labor of 6 men; that is to say, if men were employed to furnish the power to carry on the industries of this country, it would require 21,000,000 men, and 21,000,000 men represent a population, according to the ratio of the census of 1880, of 105,000,000. The industries are now carried on by 4,000,000 persons, in round numbers, representing a population of 20,000,000 only. There are in the United States 28,600 locomotives. (b) To do the work of these locomotives upon the existing common roads of the country and the equivalent of that which has been done upon the railroads the past year would require, in round numbers, 54,000,000 horses and 13,500,000 men. The work is now done, so far as men are concerned, by 250,000, representing a population of 1,250,000, while the population required for the number of men necessary to do the work with horses would be 67,500,000. To do the work, then, now accomplished by power and power machinery in our mechanical industries and upon our railroads would require men representing a population of 172,500,000, in addition to the present population of the country of 55,000,000 or a total population, with hand processes and with horsepower, of 227,500,000, which population would be obliged to subsist on present means. In an economic view, the cost to the country would be enormous. The present cost of operating the railroads of the country with steam power is, in round numbers, \$502,600,000 per annum, but to carry



on the same amount of work with men and horses would cost the country \$11,308,500,000. These illustrations, of course, show the extreme straits to which a country would be brought if it undertook to perform its work in the old way.

The figures are only interesting because a condition represented by them is utterly impossible. They are to a certain extent valuable to show the enormous benefits gained by the people at large through the application of improved motive power. They illustrate, too, the extreme view of the displacement of labor, which, as already remarked, has been positive and, it may well be said to some extent, permanent. Certainly to the men individually involved the displacement has been severe indeed. It is not necessary to show that all the effects of the introduction of power machinery have been to raise the standard of life wherever the introduction has taken place. It is true that in those countries where machinery has been developed to the highest the greatest number of work people are engaged, and that in those countries where machinery has been developed to little or no purpose poverty reigns, ignorance is the prevailing condition, and civilization consequently far in the rear. These statements are simply facts which common observation teaches. They could be easily illustrated by statistics.

The people at large, and especially those who work for wages, have experienced three great elements of progress along with the establishment of the factory system. In wages and in product the position is well illustrated in the cotton industry. The ratio of cost per pound for labor of common cotton cloth for the years 1828 and 1880 was as 6.77 to 3.31, wages for the same dates being as 2.62 to 4.84; the average consumption of cotton, which indicates the standard of life as well as any one item, was per capita of total population for the year 1831, 5.90 pounds, while in 1880 the consumption rose to 13.91 pounds, this being exclusive of exports. In Great Britain in 1883 the consumption, exclusive of exports, was 6.62 pounds per capita, and in 1880, 7.75 pounds. Working time has been decreased on an average of 12 per cent, while luxuries have become necessities, and to a very large extent placed within the reach of people of small means. All these points are too familiar to require restatement. They are simply used as illustrative; and yet, if the question should be asked, Has the wage worker received his equitable share of the benefits derived from the introduction of machinery? the answer must be, No. In the struggle for industrial supremacy in the great countries devoted to mechanical production it probably has been impossible for him to share equitably in such benefits. That he has shared greatly as a consumer is true. Much of the saving in production through the apparent and temporary displacement of labor has been applied in raising the quality and perfecting the style of the products. His greatest benefit has come through his being a consumer.

In very many instances the adult male has been obliged to work at a reduced wage, because under improved machinery women and children could perform his work, but the net earnings of his family stand at a higher figure than of old. It is also true that while labor has been displaced apparently in many directions and in many industries machinery has brought new occupations, especially to women. In the introduction of the telephone, errand boys to some extent were displaced from their regular work, but the vast army necessary to carry on the telephone system is much larger than any possible displacement. This is true in so many directions that this one illustration suffices. The apparent evils resulting from the introduction of machinery and the consequent subdivision of labor have to a large extent, of course, been offset by advantages gained; but it must stand as a positive statement, which can not successfully be controverted, that this wonderful introduction and extension of power machinery is one of the prime causes, if not the prime cause, of the novel industrial condition in which the manufacturing nations find themselves.

The direct results, so far as the present period is concerned, of this wonderful and rapid extension of power machinery are for the countries involved overproduction, or, to be more correct, bad or injudicious production; that is, that condition of production of things the value of which depends upon immediate consumption, or consumption by that portion of the population of the world already requiring the goods produced. If England, the United States, France, Belgium, and Germany unitedly produce more cotton goods than can be sold to their regular customers or in the world among people that use cotton goods, overproduction exists, and it does not matter that the millions of human beings who do not consume and who do not desire cotton goods are unsupplied. So far as the factories and the operatives of the countries concerned are to be taken into consideration, there exists a positive and emphatic overproduction, and this overproduction could not exist without the introduction of power machinery at a rate greater than the consuming power of the nations involved and of those depending upon them demand; in other words, the overproduction of goods made with the aid of such machinery, and this represents the condition of those countries depending largely upon mechanical industries for their prosperity. Crippled consuming power, ordinarily known as underconsumption, may result from overproduction, producing lower prices, or from other causes not connected with production in the ordinary sense. Some of these features are considered separately.

An influential cause in producing the condition of things recited as to the abnormal increase of machinery and the development of industrial enterprises has been the facility with which stock companies could be organized. In fact, the modern system of carrying on great works by stock companies has done much

toward producing in all countries the bad industrial conditions under which the present generation is laboring. Formerly individual capital and individual enterprise constituted the moving power back of industrial development, and only men of considerable means, or two or three such men under copartnership arrangement, could undertake any very great enterprise, such as the building of great factories, the opening of mines, and undertakings in other directions; but now, under the modern system, when old partnership houses and family proprietors are adopting the joint-stock company basis for action, and many men of small means can contribute to the common stock of a great company, the inducement to push undertakings becomes speculative to a large extent. The depositors in savings banks, where such institutions exist, become indirectly associated with the very concerns they often condemn, and depend for their dividends on their deposits upon the welfare of such corporations. Legislatures have in very many, if not all, of the States of the Union greatly facilitated the organization of such companies through the provisions of general laws, while some have been reckless enough to allow such organizations to be created without regard to the actual capital invested or property owned. The result has been an abnormal organization of capital and of interests aimed at the development of the industries of the country. Material, labor, capital have been overconsumed, and to such an extent that overproduction stands for overconsumption.

#### EXHIBIT B

[From the Monthly Labor Review (November, 1932) of the Bureau of Labor Statistics, United States Department of Labor]

#### DIGEST OF MATERIAL ON TECHNOLOGICAL CHANGES, PRODUCTIVITY OF LABOR, AND LABOR DISPLACEMENT

The Bureau of Labor Statistics for several years has been making special studies of man-hour productivity of labor as a means of measuring over a period of time the effect upon output of the changes brought about by increased mechanization and use of power in industry, improvements in processes and methods of work, greater managerial ability, standardization of product, elimination of waste, etc. More recently the bureau's studies have emphasized the actual displacement of labor and decreased employment opportunities resulting from the increased per capita output which has attended these various technological changes. Most of the bureau's productivity studies are first-hand investigations of the various industries. Where that method has not been used material gathered from other sources has been analyzed and interpreted by the bureau to furnish additional authentic data on labor productivity in fields which the bureau itself has not entered—for example, the railroad and mining industries.

To bring together in sequence, by industry, the material on productivity and labor displacement published by the bureau, either in bulletin form or in the Labor Review, the following digest is presented. It covers all the industries except agriculture (an article on the mechanization of agriculture as a factor in labor displacement was published in Labor Review, October, 1931, p. 1), which the bureau has thus far treated in any degree, but attempts to give only the essential—sometimes only the spectacular—facts and figures. Reference is made to the publication in which the detailed report may be found. Unless source material is mentioned, the summary is based upon an original survey by the Bureau of Labor Statistics.

#### AMUSEMENT INDUSTRY

The introduction of sound in moving-picture theaters displaced musicians entirely in small theaters and resulted in about 50 per cent loss of employment among theatrical musicians in general. On the other hand, the number of operators required to run the sound-picture machines increased. Employment data are not obtainable, but the international union holding jurisdiction over moving-picture machine operators grew in membership from 24,342 in 1926 to approximately 32,000 in 1931.

Sound pictures also completed the elimination of the legitimate theater outside the large cities. Stock companies, which in 1929 numbered 140 throughout the country, were reduced to 80 by December 1, 1930. Vaudeville houses as distinct from moving-picture theaters presenting vaudeville performances have practically ceased to exist, except for the very few "burlesque" houses still operating in some large cities.

Radiobroadcasting affords a degree of compensation for displacement in the amusement industry by furnishing employment to musicians and, to a less extent, to individual performers. (Labor Review, August, 1931, p. 1.)

The introduction of sound pictures into the moving-picture theaters of Washington, D. C., was accompanied by substantial increases in the earnings of licensed machine operators, and by the elevation of assistant and apprentice operators to journeyman status. Musicians, however, lost their jobs because of the installation of mechanical musical devices. In the white theaters about 60 per cent and in the colored houses 91 per cent were thus thrown out of employment. Some 30 per cent of these "technological casualties" were reabsorbed into the musical profession on either a full-time or part-time basis. (Labor Review, November, 1931, p. 1.)

#### AUTOMOBILE INDUSTRY

Increased production, increased efficiency in organization and equipment, and improved practices and methods in automobile manufacture have made striking reductions in the number of man-hours required to produce a finished automobile. For ex-



ample, comparative figures of the average man-hours required per car in representative establishments show reductions between 1912 and 1923 from 4,664 to 813 in one establishment; and from 1,260 to 228 in another. Data applying only to "productive" workers in still another factory (i. e., those actually engaged in the fabrication of the product) give 97 productive man-hours per car in 1918 and 51 in 1923.

Various machines, devices, and practices have contributed to this end. One of the newer types of metal-heating furnace required 3 men instead of 2, but produced as much heat-treated material as 4 of the older furnaces, thus increasing production per man two and two-thirds times. Machine forging instead of drop forging doubled production per man. A special machine for the manufacture of pressed-steel frames, operated by 1 man, produced 6 frames per minute, or 3,600 in 10 hours, an output which by hand methods would require 175 men. One man with a spot-welding machine is equivalent to 8 hand riveters. One man soldering by hand could finish 2 radiators per hour, while by dipping the radiator into a tank of solder he can do 40 per hour. A change from grinding to honing cylinders increased output per man per day of 9 hours from 21 cylinder blocks to 170 (4-cylinder blocks) in one establishment, and from 27 to 225 in another. Automatic lathes used in the production of crank shafts resulted in an increase of 300 per cent in production per man. In the casting of pistons a machine produced an average of 900 moldings per man per day of 8 hours and required only laborers, while the skilled molder and his helper could average only 200 each per day of 8 hours. An automatic machine with 1 attendant drilled 335 pistons per hour, while on the former type of multiple-spindle machine 1 man drilled 150 pistons per hour.

Improved methods and practices and reorganization on the "assembly-line" plan enabled one automobile-body manufacturer to reduce the number of hours required to produce a body from raw materials from 299 hours to 83 hours, without changing the average number of employees.

An automatic enameling machine usually requires about 30 per cent as much labor as would be required by hand dipping for the same production, and changes the process from a skilled to an unskilled operation. Screw machines have accomplished a change, which reaches a ratio of 1,000 to 1 as compared with production under obsolete methods. (Labor Review, October, 1924, p. 1.)

A change in layout in the foundry of an automobile concern to improve core-making methods increased production in the plant 50 per cent. (Labor Review, August, 1928, p. 41. Review of article in Iron Age, May 31, 1928.)

Standardization and better production methods have lessened the amount of bench work necessary in the fitting of automobile parts. Machine-shop bench hands constituted 3.9 per cent of all wage earners in automobile manufacture in 1922 and only 1.2 per cent in 1930. New methods of painting, lacquering, and finishing automobile bodies have caused marked shifts in occupations of workers. The number of letterers, strippers, and final touch-up painters and varnish rubbers have decreased considerably, while lacquer rubbers, metal finishers, paint sprayers, and sanders and rough-stuff rubbers have increased materially. (Labor Review, February, 1932, p. 248.)

Index numbers of man-hour productivity in the automobile industry from 1904 to 1927, based on the year 1914 as 100 were as follows: 1904, 40; 1909, 35; 1919, 141; 1924, 258; 1925, 280; 1926, 320; 1927, 278. (Labor Review, March, 1930, p. 13.)

#### BUILDING INDUSTRY

##### Bricklaying

Man-power productivity in bricklaying in straightaway walls varied (in 1923) from 95.7 bricks laid per hour in Indianapolis and 97.7 in Boston to 231.8 in Norfolk and 241 in Birmingham. The number of square yards of plastering (net area) per man per hour ranged from 4.5 in Boston to 7.8 in Philadelphia, but in most cities the net area plastered per man per hour was about 6 square yards. (Labor Review, November, 1924, p. 1.)

##### Road building and street work

A compressor machine used in road repair and repaving work, driven by a gasoline motor and equipped with air-compressor drills, cutter, spade, sprayer, and blower, is manned by an operator and one or two laborers. The air-compressor drill will, in less than 35 minutes break a hole in an old paving large enough to permit the spade to begin operating; the same work would require three hours of one man's time with a sledge hammer and pick. A power shovel, of 1¼ cubic yards' capacity, will dig up and dump 93 cubic yards of paving per hour, which is the equivalent of the labor of 62 men working one hour with hand shovels.

On a road-building job in which the most modern road-building machinery was used, the average number of cubic yards of concrete mixed and poured per man-hour was 0.943.

A ditch-digging machine operated by one man, preceded by a laborer to clear the way for the machine, will dig 22 cubic yards of trench per man-hour, an output which would require 44 men working by hand. (Labor Review, December, 1931, p. 1.)

##### Wrecking of buildings

A labor-saving experiment in a building-wrecking operation, involving the use of a portable 5-ton crane equipped with a 1,500-pound "skull cracker," resulted in the dismissal of 38 of the 50 house wreckers employed on the job, as the crane was accomplishing "the work of 100 men at one-eighth of their cost." With one blow the "skull cracker" accomplished as much as two men

in an hour and a half. The 12 men retained tore down windows and doors, sorted salvage, etc. (Labor Review, June, 1929, p. 114. From American Builder, August, 1928, p. 92.)

#### CIGAR AND TOBACCO INDUSTRY

The machine used in making long-filler cigars produces about the same number of cigars as two cigar makers can produce by the hand method. Fifty per cent of the output of long-filler cigars in the United States is produced on these machines. Each machine requires 4 employees—1 filler feeder, 1 binder layer, 1 wrapper layer, and 1 inspector; and the part-time services of a mechanic and an oiler.

Mass production by machinery has changed the industry from small hand plants to large-scale factories, frequently located in small communities instead of in cities as were the hand plants. In 1930, 0.46 per cent of the factories in operation produced 49.8 per cent of all the cigars manufactured. It is estimated that 21,356 employees had been displaced by 1931. (Labor Review, December, 1931, p. 11.)

In tobacco manufacture as a whole production per worker increased 191 per cent between 1899 and 1925, while volume of production increased 168.7 per cent with 7.7 per cent fewer persons employed. (Labor Review, June, 1927, p. 54. Analysis of Census Data.)

#### COPPER INDUSTRY

A large copper refinery reported a 10 per cent increase in total output over a 9-year period (1918 to 1927), with a reduction in working force, skilled and unskilled, from 578 employees to 233. The number of pounds of copper refined per man per day was 610 in January, 1918, and 1,612 in August, 1927. (Labor Review, November, 1927, p. 30.)

#### ELECTRIC LIGHT AND POWER INDUSTRY

The unit of output in this industry is the kilowatt-hour, representing the use of 1,000 watts for 1 hour, or the use of 1 watt for 1,000 hours; hence, output per employee is dependent to a large extent upon the demands of consumers, and the employees are not in a position to control output. Expansion of the industry, however, has resulted in an increased output per employee of 260 per cent as between 1902 and 1927. The principal reasons for this greatly increased productivity are (1) increased size and efficiency and improved construction of the generating units, boilers, and auxiliary equipment, resulting in a proportionately smaller number of employees per unit of equipment; and (2) long-distance transmission, mass production from centralized establishments, and the elimination of small local generating plants.

While installations of larger units and of automatic devices, particularly of mechanical coal stokers, have reduced employment opportunities, this displacement has been offset by the labor demand created through the tremendous expansion of the industry and the increase in activities undertaken to give reliable and uninterrupted service. (Labor Review, August, 1932, p. 249.)

#### FOOD INDUSTRIES

##### Bread making

The introduction of machinery "has made the work in the bakery comparatively light and easy, has reduced the number of employees required to operate the bakery, especially the number of bench hands or hand bakers, oven men, and helpers, and has greatly increased production."

Mixing machines, with a capacity of 4 barrels of flour, mix a batch of dough in 12 minutes. The time required to bring together the ingredients contained in a batch of dough and place them in the mixer ranges from 1 to 10 minutes, the most frequent time reported being 5 minutes. The highest production per man per hour, all employees considered, was 103 pounds of bread, and the lowest, 48 pounds. The highest production per baker (i. e., mixers, bench hands, machine hands, and oven men) per hour was 427 pounds of bread, and the lowest, 87 pounds.

High production was achieved in a plant mechanized throughout, which employs very few bench hands, no oven men, and machine hands only at the divider and one at the molder. (Labor Review, December, 1923, p. 1.)

##### Cane-sugar refining

The index of man-hour productivity in cane-sugar refining fell from 100 in 1914 to 78 in 1919, then advanced steadily until 1926, when it reached 140, falling again to 133 in 1927. Maximum total production occurred in 1926, when the index number stood at 164. (Labor Review, March, 1930, p. 16.)

##### Flour milling

Index numbers of man-hour productivity in the flour-milling industry from 1904 to 1927 (on the basis of 1914 as 100) ranged from a low of 92 in 1909 to a high of 159 in 1927. Production showed slight variation and the index of man-hours worked fell from 105 in 1909 to 64 in 1927. (Labor Review, March, 1930, p. 15.)

##### Slaughtering and meat packing

The index number of man-hour productivity in slaughtering and meat packing, 1909 to 1927 (on the basis of 1914 as 100) stood at 115 in 1909 and 126 in 1927. The minimum productivity index was 98 in 1919, and the maximum 127 in 1926. As regards total production the maximum was 147, in 1924 (the productivity index for that year was 125); and the minimum was 100 in 1914. The index of man-hours worked reached its lowest point, 89, in 1909; and its highest point, 136, in 1919, the year of the lowest



productivity. In the year of highest productivity (1926) the index of man-hours stood at 110. (Labor Review, March, 1930, p. 9.)

#### IRON AND STEEL INDUSTRY

In the merchant blast furnace industry, data obtained from selected plants producing pig iron for sale in the open market show that the average output of pig iron per man-hour in the period 1912 to 1914 was 0.141 gross ton; whereas in 1926 the output had risen to more than twice that figure, or 0.296 gross ton. From 1912 to 1926 the average output per stack day increased from 261.4 to 369.1 gross tons.

Factors contributing to the higher productivity of labor in this industry are the substitution of machinery for hand labor, the abandonment of inferior plants, and the change from the 12-hour to the 8-hour day. The extent to which machinery has been introduced is brought out by the fact that during the pre-war years 1911 to 1914, 15 of the 37 plants studied were hand-filled and sand-cast; while in 1926 only 3 out of 49 plants studied were operated in that manner. (U. S. Bureau of Labor Statistics Bulletin No. 474: Productivity of Labor in Merchant Blast Furnaces, 1928.)

Index numbers of production of blast furnaces in the period from 1850 to 1920 (using 1850 as 100) show that the index of output per man had increased from 100 in 1850 to 3,244 in 1919, or 3,144 per cent. Expressed in long tons, the output increased from 25 tons per man per year in 1850 to 811 tons in 1919. (Labor Review, July, 1922, p. 6.)

Productivity indexes for blast furnaces for the period 1899 to 1925, based on the year 1909 as 100, are as follows: 1899, 55; 1904, 74; 1914, 126; 1919, 120; and 1923, 194. For steel works and rolling mills, the indexes are: 1899, 61; 1904, 68; 1914, 96; 1919, 97; and 1923, 132. The indexes for both blast furnaces and steel works and rolling mills combined were: 1899, 60; 1904, 69; 1914, 100; 1919, 100; 1923, 139; and 1925, 159. (Labor Review, December, 1926, p. 31.)

Man-hour productivity in the blast-furnace industry, as indicated by data covering plants producing 95.8 per cent of the total blast-furnace output in the United States in 1929, is directly influenced by the size of the plant, the degree of mechanization, the kind of ore handled, the character of the labor force, and the wages paid. In the plants paying the highest wages the man-hour productivity was eleven times as great as in the lowest-wage plants. Plants with the smallest average horsepower showed the smallest average output per plant and the smallest output per man-hour (0.387 ton), whereas the plants with the largest horsepower showed the largest output per plant and per man-hour (0.759 ton). The average output per man-hour for the entire industry, all States considered, was 0.589 ton. The highest average output per man-hour, by States, was 0.920 ton in Indiana, where 524 wage earners in 3 establishments produced an average output per establishment of 1,425,920 long tons of pig iron in 1929. In Alabama, the lowest productivity State (0.351 ton per man-hour), 240 wage earners in 10 establishments produced an average output per establishment of 270,592 long tons. (Labor Review, August, 1932, p. 260. Based on 1929 Census of Manufactures.)

The growth of the iron and steel industry is indicated by the following figures based on census data: The per cent of increase from 1899 to 1925, in physical volume of production, was 204.4; in number of persons engaged, 145.8; in primary horsepower, 307.5; and in production per person engaged, 23.9. "Number of persons engaged," however, includes proprietors, executives, clerical force, etc., as well as direct labor. (Labor Review, June, 1927, p. 54.)

Index numbers of man-hour productivity for the period from 1899 to 1927, using 1914 as 100, are: Blast furnaces, 44 in 1899, 80 in 1909, 85 in 1919, and 203 in 1927; steel works and rolling mills, 63 in 1899, 104 in 1909, 96 in 1919, and 146 in 1927. (Labor Review, March, 1930, p. 2.)

Productivity of labor in the sheet department of the iron and steel industry showed a steady gain in average output per man-hour from 1925 to 1929, except in the annealing operations. For bar shearing, the increase was from 1.893 net tons per man-hour in 1925 to 2.200 in 1929, or 16 per cent; for cold rolling, from 1.159 to 1.480 net tons, or 12 per cent; for sheet pickling, from 0.702 to 0.857 ton, or 12 per cent; and for hot rolling, from 0.072 to 0.077 ton, or 7 per cent. In the annealing department the gain in output per man-hour was more than offset by the increased labor time required to meet the increasing demand for full-finished sheets of deep-drawing quality.

Among the factors affecting productivity are the substitution of machinery for labor, better-designed machinery, improvement in management, working conditions, etc. In general, however, the real gain in labor productivity due to improvement in technology and management was obscured by the increase in labor time required in the production of high-grade sheets for use in the manufacture of automobile bodies, electric refrigerators, and metal furniture. (Labor Review, January, 1932, p. 19.)

Output per man-hour in one steel plant shows the following per cent of increase in 1926 over 1902: In ore unloading, 706.7; in blast furnaces, 277.3; in Bessemer ingots, 99.8; in all open-hearth ingots, 66.0; and in the rail mill, 120.1. "The average man in a modern iron and steel plant is producing from one and a half to eight times as much as he did 25 years ago." (Labor Review, December, 1927, p. 61. Quoting Theodore W. Robinson, of the Illinois Steel Co.)

Modern methods of molding have "obviated much of the molder's skill, as well as many hours of labor." Under former processes "it took the molder \* \* \* and his helper a week to make the largest radial drill bases. \* \* \* At the present

time the same type of base is made in one day by a molder and a helper." (Labor Review, March, 1927, p. 23.)

In 1925 an increase of 44 per cent in the number of workers over the number employed in 1850 increased the output of pig iron 7,178 per cent above that produced in 1850. Production per man increased 4,928 per cent. "Stated differently, the number of wage earners in blast furnaces in 1850 was 882 per million of population. In 1921, which, however, was a slump year, there were 173 wage earners in this industry per million of population." (Labor Review, June, 1928, p. 29.)

#### LEATHER INDUSTRY

Index numbers of man-hour productivity in the leather industry for specified years, on the basis of 1914 as 100 are: 1899, 93; 1909, 92; 1919, 102; 1921, 130; 1923, 138; and 1927, 141. During the same period the index numbers of man-hours ranged from 92 in 1899 and 117 in 1919 to 86 in 1927, with a minimum of 80 in 1921; while production increased from an index of 86 in 1899 to 134 in 1923. The production index in 1927 was 121. (Labor Review, March, 1930, p. 8.)

Between 1923 and 1931 quantity output per hour in the leather industry increased materially. This increase ranged, in the various branches, from a little over 4 per cent in the manufacture of sheepskins to more than 27 per cent in the manufacture of side leather. For the whole industry the increase was approximately 15 per cent.

Technological development has not been an important factor in the industry, and skilled hand labor is still a requisite. Most of the machines now in use in tanneries had been introduced in much their present form at least 30 or 40 years ago, hence mechanization has played only a small part in increasing output. The principal cause of the increase has been the improved management of labor and the accompanying taking up of slack in the expenditure of the time of the labor force. The estimated displacement between 1923 and 1931 due to greater efficiency was 6,685 workers. (Labor Review, September, 1932, p. 1.)

#### LUMBER INDUSTRY

The number of man-hours (all employees) required per 1,000 board feet of lumber produced ranged from 20.15 in Georgia to 8.54 in Oregon, and averaged 12.71 for 22 States. These sawmill operations began with the log in the pond and ended with the lumber stacked in the yards or loaded on cars. (Labor Review, January, 1923, p. 1.)

Index numbers showing production of lumber per person engaged in the industry, based on census data and using 1919 as 100 are: 1899, 121.7; 1904, 125.3; 1909, 120.6; 1921, 108.1; 1923, 111.3; and 1925, 120.7. (Labor Review, June, 1927, p. 54.)

Data regarding man-hour rates of production for the lumber and timber products industry in California, Oregon, and Washington in 1929 were collected by the Bureau of the Census in its biennial census of manufactures for that year. The study was confined to large mills, as only establishments which reported products valued at \$100,000 or more were covered by the Census Bureau.

The measure of physical output in the lumber industry is a thousand board-feet. Efficiency, as measured by man-hour productivity, depends largely upon the extent of mechanization. In fact, the most reliable indicator of efficiency in this industry is horsepower per wage earner employed, the increase in productivity with increase in horsepower per wage earner being appreciable. Thus, Oregon, where the average horsepower per wage earner was 7.1, ranked highest in productivity, showing an average output of lumber, in thousand board-feet, of 0.062 per man-hour. The lowest output per man-hour was 0.035 in California, where the average horsepower per wage earner was 5.5. Washington, while showing a somewhat lower average horsepower per wage earner employed than California (5.2), had a higher productivity rate (0.052 per man-hour). These figures apply to mills which did their own logging. The average output of lumber (in thousand board-feet) per man-hour in mills which bought their logs was 0.084 in California, 0.129 in Oregon, and 0.131 in Washington. (Labor Review, October, 1932, p. 818. Based on data supplied by the Bureau of the Census from the Census of Manufactures for 1929.)

#### MINING INDUSTRY

##### Coal mining

Technological changes: In 1926, 1.8 per cent of the total production of all bituminous mines in the United States was mechanically loaded according to the weekly coal report of the United States Bureau of Mines for the week of April 21, 1928. In some States, however, a considerable part of the output was loaded by machine. In Wyoming, for example, 17.6 per cent of the State output was loaded mechanically. In Indiana 13 mines making extensive use of loading devices handled 89.4 per cent of their output mechanically. (U. S. Bureau of Labor Statistics Bul. No. 491: Handbook of labor statistics, 1929 edition, p. 640.)

In 1930, the percentage of bituminous output loaded by machine had increased to 5.2, as shown by the bituminous coal tables of the Bureau of Mines for 1930. Wyoming had increased its mechanical loading to 41.5 per cent of its deep-mined output, while Alabama, which in 1926 applied mechanical loading to only 0.5 per cent of its output, had advanced to 1.4 per cent in 1930. "The high-wage-rate fields of the Rocky Mountains and the Middle West lead in the proportion of output produced by mechanical mining." (Labor Review, March, 1932, p. 558.)

The average output per man per day in coal mining in 1929 ranged from 1.43 tons in North Carolina to 10.34 tons in North Dakota, and averaged 5.63 tons for all States for underground



workers; the average output on the basis of all employees (underground and surface) ranged from 1.25 tons in North Carolina to 7.90 in Montana, and averaged 4.85 for all States combined.

The productivity of the coal getter is determined largely by the extent to which machinery is employed. In North Carolina, the low-productivity area, 39 per cent was mined by hand, 61 per cent was shot off the solid; no machines were used. In Montana 49.9 per cent of the output was machine cut, but 35.8 per cent was from strip mines; only 0.3 per cent was mined by hand.

Taking the industry as a whole, the percentage of coal cut by machine in 1929 was 75.4 per cent, as against 50.7 per cent in 1913 and 73.8 per cent in 1928. Machine cutting, however, is only part of the story. The use of mechanical loaders increased 75.6 per cent for the entire country between 1928 and 1929: 161.3 per cent in Illinois, 57.9 per cent in the bituminous fields of Pennsylvania, 35.8 per cent in Kentucky, and 23.2 per cent in West Virginia.

Mechanization of coal mines is responsible for most of the increase in output during the past 40 years. The output in the bituminous coal fields of the United States per man per day, all employees considered, was 2.56 tons in 1890, or an average of 579 tons per man per year. In 1929 the average output for the entire country, all employees considered, was 4.85 tons per day, or 1,064 tons per year. In the anthracite field the increase was from 1.85 tons per man per day, or 369 tons per year, in 1890, to 2.17 tons per day, or 487 tons a year, in 1929. At the same time working hours per day decreased from an average of 10 hours in 1890 to 8 hours in 1929. (Labor Review, December, 1930, p. 37. Based on data and reports of the U. S. Bureau of Mines.)

Bituminous coals of all grades are now produced from strip mines, and the per cent of total bituminous output produced by these mines increased from 0.6 in 1915 to 4.0 per cent in 1928, and "no immediate limit to the expansion of stripping is seen." More than one-third of the output is stripped by electrical equipment, with which the average output per man per day was 13 tons in 1928. In the Rosebud field of Montana an average of 48 tons of coal per man per day was mined from strip mines. The time required to produce a ton of coal was 0.65 man-hour in strip mines and 1.75 man-hours in deep mines. (Labor Review, July, 1931, p. 85. Review of U. S. Bureau of Mines, Economic Paper No. 11.)

Labor productivity: Data covering 9,817 pick miners in 118 mines throughout the United States for a 2-week pay-roll period in 1919 show the productivity of hand labor in bituminous mines. The average output per miner for all coal fields was 6.8 tons per day of eight hours; the minimum output was 2.6 tons in a 22-inch seam in a Missouri mine; and the maximum, 12.9 tons in a 6-foot seam in Pennsylvania. (Labor Review, February, 1921, p. 1.)

The lowest productivity rate in mining coal in Illinois in the 11-year period, 1918-1928, was in 1922, when the average output per man per day was 4.8 tons. The highest rate, 6.9 tons per man per day, was achieved in 1928. In 1922, 98,681 men employed in 1,133 mines produced an average of 472,215 tons per day, while in 1926, 77,732 men in 921 mines averaged 532,925 tons per day. (Labor Review, October, 1929, p. 59. From Forty-seventh Illinois Coal Report.)

The man-hours required to produce 1 ton of bituminous coal show a steady decrease from 2.472 in 1911 to 1.663 in 1929. Productivity in anthracite mining does not vary markedly; the time required to produce a ton of anthracite was 3.754 man-hours in 1911 and 3.694 in 1929. This does not represent a maximum and minimum productivity rate, as was the case of the 1911 and 1929 rates in bituminous mining; the highest number of man-hours required to produce 1 ton of anthracite (4.362) occurred in 1914; and the minimum (3.465) in 1922. (Labor Review, April, 1931, p. 79. Abstract of U. S. Bureau of Mines, Report of Investigations No. 3082, January, 1931.)

Anthracite workers employed underground were producing 2.63 tons per day worked in 1930 as compared with 2.75 tons in 1911. In bituminous coal mining, on the other hand, the output per day of underground workers increased 39.9 per cent between 1911 and 1930, from 4.01 tons to 5.61 tons. High productivity rates in 1930 were found in Wyoming (7.4 tons) where 48.6 per cent of the total output was loaded mechanically; Montana (7.16 tons) where 62.6 per cent was so loaded; and in Illinois (6.57 tons) where 48.3 per cent was thus loaded. (Labor Review, February, 1932, p. 292. Based on reports of U. S. Bureau of Mines.)

#### PRINTING AND PUBLISHING INDUSTRY

##### Government Printing Office

Increased efficiency and the improvement of equipment enabled the Government Printing Office to produce, in the 6-year period, 1921-1926, with 340 fewer employees, \$8,000,000 more work than was turned out in the preceding 6-year period, 1915-1920. The printing division set 30,495,400 more ems of type in 1926 than in 1925; at the same time 140 fewer operators were employed and overtime was decreased 1,328 hours. The estimate is made that 1,200 compositors would be required to set by hand the quantity of type set annually by the 377 machines in the Government Printing Office. (Labor Review, April, 1927, p. 28. Based on annual report of Public Printer for year 1926.)

##### Newspaper printing

High-speed machinery is the outstanding characteristic of the mechanical production of newspapers. While most of the inventions and improved equipment introduced since 1896 have been designed primarily to shorten the interval between receipt of news and its distribution to the public in newspaper form, the improvements have also affected labor productivity.

Composition by the hand method of 1896 on 4 present-day newspaper pages would require 40 employees working 10 hours. In 1916, 26 employees working 8 hours and using both machine and hand methods would have produced the same output, while the same job in 1926 required 21 employees working 7 hours.

Stereotyping consists of two separate operations—the molding of matrices and the casting of plates. The number of plates cast depends upon the number of presses to be operated and the numerical size of the edition to be run off. As circulation increases, more plates are necessary. Man-hour productivity is less important than clock time in the stereotyping department of a large daily paper. A decrease from 1916 to 1926 of 50 per cent (from 8 minutes to 4 minutes) in the actual time required to mold the matrix from the type and deliver the first plate to the press room was accompanied by a loss of 6 per cent in man-hour output of all employees engaged in stereotyping.

Comparative figures relative to output on the hand press and the early rotary press show that in 1896, 25 employees were required to print and fold 10,000 copies of a 4-page paper in 10 hours by hand methods, while 3 employees working on the rotary press of that period produced the same unit in 1 hour. In 1916 it required 1.79 man-hours to produce 10,000 copies of a 4-page section, while in 1926 the same output took 1.66 man-hours.

In 1896, before stereotyping was introduced, composition by the hand method, presswork on hand presses, and folding by hand 10,000 copies of a 4-page newspaper involved an average of 635 man-hours. In 1926 the same number of copies of a printed and folded 4-page newspaper, requiring the combined processes of composition, stereotyping, and presswork, required an average of 174.4 man-hours, an increase of 264 per cent in output per man-hour. Thus, where 71 employees were required for 9 hours by the hand method in 1896, only 25 employees for 7 hours were necessary under machine production in 1926. Productivity per unit of measurement (i. e. 10,000 copies of a 4-page paper) in one establishment was: Composition, 204.3 man-hours in 1916, and 145.2 man-hours in 1926; stereotyping, 8.9 man-hours in 1916, and 10.6 man-hours in 1926; presswork, 1.8 man-hours in 1916, and 1.7 man-hours in 1926. The total man-hours involved in all three processes had been lowered 26.8 per cent.

While technological changes tend to displace labor, such has not been the result in the newspaper business. Improved facilities and the enormous increase in output made possible by power machinery have so expanded the market and enlarged the business that the demand for labor has increased greatly. One daily journal published 26,000 copies of a 4-page, 6-column paper in 1852, with "40 compositors and a handful of pressmen, fly boys, and other labor." In 1926 the mechanical staff alone employed by the same paper numbered 1,700, of whom 325 were compositors. Daily production of a paper averaging sixty-two 8-column pages (including daily and Sunday issues) amounted to 390,000 copies. (U. S. Bureau of Labor Statistics Bul. No. 475: Productivity of labor in newspaper printing.)

##### Transmission of news

More telegraphers engaged in the transmission of news have in the past 15 years been largely superseded by operators of the printer telegraph (teletype). This instrument is operated very much like a typewriter, and not only sends messages but prints them upon receiving machines, thus eliminating the telegrapher at the receiving end, because reception is automatic. The sending machine in teletype operation can transmit to as many receiving machines as its circuit carries. The speed of the printer is about twice that of the Morse operator.

Because of the growth of press associations, chain newspapers, and news-feature syndicates, all of which call for large sending organizations, the number of Morse operators engaged in newspaper work increased from 1,114 in 1915 to 1,549 in 1922. After the latter year the adoption of the printer telegraph (teletype), which had been introduced in 1915, grew rapidly. By 1931 only 568 Morse operators were employed by the principal news organizations. Teletype operators, on the other hand, who had numbered only 11 in news work in 1915, had increased to 335 in 1931. If Morse operators were required to render service equivalent in speed and sustained effort to that now possible with the teletype, 3,737 telegraphers would be necessary to do the work now done by 243 printers (i. e., 335 operators reduced to an equivalent full-time basis). "Expressed in another way, the productivity of the operator of the printer telegraph is more than fifteen times as great as the productivity of the Morse operator in this particular field." Fewer than 40 Morse telegraphers employed by press associations were retained as printer operators. (Labor Review, April, 1932, p. 753.)

##### Commercial printing

The installation of automatic feeders on printing presses and the introduction of self-feeding presses was not important up to 1913. In the 16 years following 1913, however, the increase was so rapid that two-thirds of all new installations of presses in commercial printing were mechanically fed. A study of two winter periods, 1923-24 and 1928-29, shows that notwithstanding this technical change the number of men employed in commercial press rooms increased more than the number of presses. In 1924 an average of 99.2 men were employed per 100 presses, while in 1929 the average was 100.7 men per 100 presses. Further data suggest a pronounced change in occupation if not in employment. Between 1924 and 1929 pressmen gained 4.6 men per 100 presses, while the assistants (feeders) show a net loss of 3.2 men per 100 presses—11.4 hand feeders lost and 8.2 automatic-feeder operators gained per 100 presses. In some cases employers are reducing the



number of presses a pressman is required to attend, so that he may also operate the feeding machine; this, of course, means fewer feeders and more pressmen, and consequently more skilled labor. (Labor Review, February, 1931, p. 78. Review of study in American Economic Review, September, 1930, pp. 442-466.)

#### SHOE INDUSTRY

The time required to make 100 pairs of shoes by the hand methods of 1863 was 1,831 hours, 40 minutes; by the hand and machine methods of 1895 it was 236 hours, 6 minutes; by the machine methods of 1916 it was 142.7 hours; and by the machine methods of 1923 it was 106.9 hours.

"The modern factory of to-day, with its power-driven machinery, can turn out 75,000 pairs [of shoes] every workday in the year." (U. S. Bureau of Labor Statistics Bul. No. 360: Time and labor cost in manufacturing 100 pairs of shoes.)

Man-hour productivity in the boot and shoe industry increased 24 per cent between 1914 and 1927 and 8 per cent between 1925 and 1927. (Labor Review, March, 1930, p. 1.)

#### STONE, CLAY, AND GLASS INDUSTRIES

Index numbers of growth of stone, clay, and glass products from 1899 to 1925, based on census data and using 1919 as 100, show an increase in physical volume of production from 67.3 in 1899 to 179.1 in 1925, or 166.1 per cent. Production per person engaged increased 58.1 per cent from 1899 to 1925 (from an index of 98.4 to 155.6), while the number of persons engaged in the industry increased 68.3 per cent. The number of persons engaged in the industry increased 15.1 per cent from 1919 to 1925, while in the same period production per person engaged increased 55.6 per cent and total production increased 79.1 per cent. (Labor Review, June, 1927, p. 54.)

#### Brickmaking

The time required in 1924 per 1,000 bricks in the stiff-mud process was 6.82 man-hours, in soft-mud process 8.74 hours, and in the dry-clay process 10.81 hours.

A large, efficiently organized plant equipped with the best improved machinery produced 249 bricks per man-hour, or 1,000 bricks in 4.02 hours; while a small, inadequately equipped plant not well organized or operated produced 56 bricks per man-hour, and required 17.73 man-hours to turn out 1,000 bricks. (United States Bureau of Labor Statistics Bulletin No. 356: Productivity Costs in the Common-Brick Industry, 1924.)

A brick-making machine can make 49,000 bricks per hour and has a potential labor displacement of 80 per cent. (Labor Review, July, 1924, p. 4.)

#### Glass manufacture

In no other industry has the introduction of machinery had a more dramatic effect upon labor productivity than in the glass industry. Comparative data on productivity and labor costs in hand and machine production for each of the five branches into which the glass industry is divided—i. e., bottles and jars, pressed ware, blown ware, window glass, and plate glass—were shown by a study of the glass industry made by the United States Bureau of Labor Statistics. The following examples indicate what has taken place in this industry:

A hand shop, consisting of three skilled workers (a gatherer, a blower, and a finisher) and four helpers, produced on the average 3.75 gross of 4-ounce prescription ovals in an hour. The 1925 average output of the most up-to-date Owens automatic machine was 69,754 gross of 4-ounce prescription ovals per hour. The average output of the hand shop was 0.536 gross per man per hour, while with the automatic machine the average was 22,028 gross per man per hour, or more than forty-one times as much as in the hand process.

The average output of table tumblers per man per hour in hand manufacture, using the side-lever press, was 31 pieces. An automatic machine with an automatic conveyor produced 380.71 pieces of the same article per man per hour, or more than 12 men could produce in an hour on the hand press.

An automatic machine produced 1,703.59 electric-light bulbs per man per hour, which is over thirty-one times as many as could be produced in the same time by the hand process. An automatic sheet-drawing machine will produce window glass at two and one-half times the rate of production of the hand process.

In the course of the 25 years (1899 to 1925) in which the change from hand manufacture to semiautomatic and then to automatic machine production took place, the number of establishments in the glass industry decreased 12.7 per cent, while the number of wage earners increased 31.3 per cent and the average number of wage earners per establishment increased 50.3 per cent. Under hand manufacture, the glass industry operated almost wholly on a small-unit basis, but with the introduction of machinery that condition changed entirely. Large-scale production has converted the industry into a well-integrated one, with large plants representing large capital investment.

The most pronounced change in the industry has been in the character of the labor force. Hand production called for highly specialized skill and a long apprenticeship, and the common labor necessary was done in large part by children. Under machine production the workers are mechanics and machine operators, and child labor has been wholly eliminated. (U. S. Bureau of Labor Statistics Bul. No. 441: Productivity of Labor in the Glass Industry, 1927.)

In 1925 the comparative output of plate glass per employee in the United States was 9,698 square feet, as against 4,430 square feet in Belgium. (Labor Review, June, 1927, p. 116. Based on report of U. S. Tariff Commission.)

#### Pottery manufacture

In the manufacture of semivitreous ware, productivity is expressed in crew-hours rather than in man-hours. The average production of 7-inch plain-edged plates, based on data for 58 crews, was 28.1 dozen plates per crew-hour, the crew consisting of a jigger man, a batter-out, a mold runner, and a finisher, and a clay carrier for part of the time. The maximum production, reached by five crews, was 32 to 36 dozen; and the minimum production, averaging less than 20 dozen plates per crew-hour, was reported for two crews. The average production of saucers by 48 crews similarly constituted was 42.8 dozen per crew per hour; one crew attained a maximum production of 50 to 52 dozen; the two crews with the lowest production turned out between 32 and 36 dozen saucers per crew per hour. Crews making teacups consisted of a jigger man, a baller, and a mold runner, and a clay carrier part of the time. Data for 42 crews showed an average production of 53 dozen cups per crew-hour; the maximum production was 68.8 dozen (one crew) and the minimum 32 to 34 dozen. (U. S. Bureau of Labor Statistics Bul. No. 439: Handbook of Labor Statistics, 1924-1926, p. 542.)

Since the war the successful introduction of a casting process in the manufacture of certain hollow ware has eliminated the skilled hand worker in the sanitary branch of the industry. After three weeks' training an unskilled worker using this process can cast more pieces in a day than a skilled craftsman can make by the hand method. (Labor Review, November, 1927, p. 43. Review of article in Journal of Political Economy, August, 1927, pp. 522-542.)

Data on productivity of labor in an English pottery show a maximum output of 192 plates per crew per hour. A crew consists of one jigger man and a mold runner and a finisher, both of whom are women. (Labor Review, December, 1926, p. 114.)

Productivity figures in the pottery industry in Germany are based upon output per man instead of per crew. Working alone and doing his own finishing, a jigger man will make three thousand 7-inch plates or 4,800 saucers in a 48-hour week. A jigger man and a spreader working together can turn out 7,800 saucers in a 48-hour week. A jigger man working alone can in a week make 3,300 cups and finish the edges. One person working alone will cast and place handles at the rate of 3,300 cups per week. (Labor Review, December, 1926, p. 129.)

#### TELEPHONE AND TELEGRAPH INDUSTRY

##### Telephone

The complete substitution of the dial telephone system for the manual system will apparently decrease employment opportunities for operators by about two-thirds. In 1921 dial telephones formed 2.7 per cent of the total number in the Bell system. The number of operators in the Bell system was 118,470, and they handled an average of 1,260,619,367 calls (local and toll combined) per month, or 10,641 per operator. In 1930, 31.9 per cent of the total number of telephones in the Bell system were dial operated, and 143,979 operators were employed. They handled an average of 2,270,756,065 calls per month, or 15,771 per operator, an increase of 48.2 per cent over the operator productivity of 1921.

If the number of connections demanded in 1930 had been made manually on the basis of the output per operator prevailing in 1921, 69,421 additional operators would have been needed. Hence the lost employment opportunities represented by actual installations is 32.5 per cent. With the extension of the dial program, however, the per cent of loss of employment opportunities will not keep pace with the per cent of automatic installations, because operators will still be needed for special services, long-distance connections, etc. (Labor Review, February, 1932, p. 235.)

##### Telegraph

Commercial telegraphy: The printer telegraph has reduced the proportion of Morse telegraphers in commercial telegraph offices to 21.5 per cent of all operators. By 1931 printer circuits accounted for nearly 90 per cent of all commercial-message handlings of one large company. In the principal telegraph offices the productivity of printer operators average about twice that of Morse operators, with a resulting technological displacement of about 50 per cent. This means not only the elimination of the skilled Morse telegrapher but the substitution of women for men. The training required to operate a printer telegraph is practically the same as for operating a typewriter, and any good typist can operate a teletype.

At the end of June, 1931, in all of the commercial telegraph offices of the major companies, there were 3,678 Morse manual operators, constituting 21.5 per cent of the total number of operators employed. Of these 3,678 Morse operators, 83.9 per cent were men. Multiplex printer operators numbered 5,127, or 30.1 per cent of the total number of operators. Women comprised 83.6 per cent of the multiplex printer operators. The largest single group was the simplex printer operators, who numbered 8,249 and represented almost half (48.4 per cent) of the total number employed. Of these, 66.6 per cent were women. In 1931 women constituted 60.8 per cent of the total of all classes combined, while in 1902, when the Morse system was used exclusively, only 22.3 per cent of the operators were women.

One leading telegraph company instituted training schools to give Morse operators the opportunity to learn the simplex method of telegraphy. At the end of July, 1931, as a result of that policy, 31.2 per cent of the total number of simplex operators employed in functional offices were former Morse operators. Of the male simplex operators so employed 58.8 per cent had changed from the Morse to the new system. (Labor Review, March, 1932, p. 501.)



**Ticker telegraphy:** The new high-speed ticker for handling stock-market quotations is a most remarkable labor-saving mechanism. For example, on a given day, with 17 operators, it automatically printed the New York Stock Exchange quotations on 8,623 stock tickers in 43 States and Territories and in Canada, with circuits in 377 cities. The 17 operators also handled the transmission of bond quotations, which were automatically recorded on 928 bond tickers.

In 1890 some 395 tickers were in daily use in the financial district of New York City, employing 8 operators and 12 other employees. In 1930 the number of tickers had increased to 3,812, the number of operators to 17, and the total number of employees to 157. Taking 1890 as the base, or 100, the index of changes in output per operator ranged from 100 in 1890 to 1,695 in 1930, practically a 1,600 per cent increase, while the productivity of all employees combined ranged from 100 in 1890 to 459 in 1930, more than a 350 per cent increase. Taking 1920 as the base, or 100, the index of productivity of operators more than tripled, ranging from 100 in 1920 to 311 in 1930, while the index for all employees ranged from 100 in 1920 to 145 in 1930. On the basis of 1890 productivity, 288 operators instead of 17 would be required for the output of 1930; on the basis of 1920 productivity, 53 operators would be required for the output of 1930.

Actual displacement, however, exceeds hypothetical displacement. Outside of a few great centers, particularly the financial district of New York, both the transmission and reception of market quotations were formerly handled by Morse telegraphers who served newspapers and brokers' offices. This service has now been almost entirely eliminated by the use of tickers and teletype service. Reception in many brokers' offices is now handled by the "telegigrapher," a device which automatically displays market changes in customers' offices, and by a magnified and illuminated projection of the moving ticker tape on a screen. By 1931 telegigraphers had been installed in more than 200 brokers' offices as far west as Chicago, with remoter installations planned, all handled by a single operating center in New York City. The extent of displacements as a result of these various technological changes can not be measured statistically, but in the aggregate it is very large. (Labor Review, June, 1932, p. 1269.)

**Private-wire systems:** Private-wire systems include private telephone exchanges, railroad wires, leased wire circuits of news agencies, the lines of brokers and investment bankers, networks used for transmitting radio programs, and wires used for interior communication in industrial establishments, institutions, etc. Private branch exchange telephones, while increasing in number, have continued in practically the same ratio to the total number of telephones in the Bell system since 1921, constituting about 19 per cent of the total. In large cities the proportion of private branch exchanges is much larger than for the entire country. The number of operators required to handle private branch exchange business was estimated by telephone officials in 1931 at 135,000 for exchanges connected with the Bell system, and at 145,000 for the entire country. Information on the extent of transition from manual to dial operation in private exchanges is not readily available, but it has not been so material as in the public exchanges. Private telephone employment has thus provided opportunities for telephone operators displaced by the machine in the wider field of public service. With the progressive extension of automatic operation to private exchanges, however, those opportunities will necessarily shrink. (Labor Review, July, 1932, p. 9.)

#### *Railroad telegraphy*

See under Transportation.

#### *News transmission*

See under Printing and Publishing.

#### **TEXTILE INDUSTRY**

Census data indicating the growth of the manufacture of textiles and their products show the following percentages of increases from 1899 to 1925: In physical volume of production, 96.5; number of persons engaged, 63.5; primary horsepower, 190.4; and production per person engaged, 20.2 per cent. (Labor Review, June, 1927, p. 54.)

#### *Ribbons*

A comparison of average output per man per hour in ribbon weaving in two selected periods in 1920 (February and April), between which a reduction in working hours had occurred, shows that 1.25 yards of  $4\frac{1}{2}$ -inch satin taffeta ribbon were produced per man-hour in February, and 1.4 yards in April; 1.023 yards of 7-inch satin ribbon in February and 1.043 in April; and 1.137 yards of  $5\frac{1}{4}$ -inch taffeta in February and 1.095 in April. (Labor Review, July, 1922, p. 9.)

#### *Cotton*

A comparative study of labor productivity covering one mill manufacturing gray cloths, for a specified pay-roll period in 1911, 1916, and 1925, showed that the output of yarn for the entire process was 10.08 pounds per man-hour in 1911, 10.57 pounds in 1916, and 11.59 pounds in 1925. In spinning only, the productivity per man-hour for these three years was 45.09 pounds, 43.12 pounds, and 48.60 pounds. Productivity of weavers per man-hour, expressed in pounds, was 13.65 in 1911, 16.53 in 1916, and 24.49 in 1925. The output of cloth (entire process) was 7.95 pounds per man-hour in 1911, 8.26 pounds in 1916, and 10.31 pounds in 1925. Productivity per man-hour in the cloth finishing department, expressed in pounds, was 56.62 in 1911, 74.63 in 1916, and 63.40 in 1925; expressed in yards it was 135.47 in 1911, 192.38 in 1916, and 158.14 in 1925.

Productive labor in this study included supervisory employees (overseers and superintendents), machinists, engineers and firemen, carpenters, electricians, watchmen, and any others necessary to plant operation, as well as textile operatives.

The general increase in man-hour productivity during the 15-year period was due in great measure to the installation of modern equipment or labor-saving devices. To a considerable extent, also, it was due to better organization of the plant and more efficient management of the work. Changes and improvement in equipment in the spinning department between 1911 and 1916 called for additional workers. While apparently the personnel of that department was increased by 29 between 1911 and 1916 and by a few more between 1916 and 1925, the number of full-time workers shows an increase of only 3 between 1911 and 1916, and a reduction of 13 between 1916 and 1925. This decrease was due to the elimination of spare hands.

The introduction of automatic looms in the weaving department resulted in displacing 26 full-time weavers between 1911 and 1916, although 150 more looms were in operation in 1916 than in 1911. Further increases in the number of looms between 1916 and 1925 reduced the number of full-time weavers from 188 to 150, and one loom fixer was dropped, but with the addition of workers in maintenance operations the actual reduction of the weave-room force was 24. Improved inspection methods resulted in an increase of 11 in the cloth-inspection force between 1916 and 1925, but other workers were dropped, making a net increase of 7 in the finishing department. (Labor Review, September, 1926, p. 7.)

Data on man-hour production of cotton sheeting of standard grade (40-inch width, 47 picks to the inch) in the same establishment from 1838 to 1925, as given in a study made by the research department of the Women's Educational and Industrial Union of Boston, show the following changes: 1838, 0.98 pound; 1850, 1.21 pounds; 1876, 2.25 pounds; 1890, 3.31 pounds; 1910, 5.00 pounds; 1919, 4.98 pounds; and 1925, 7.53 pounds.

The increase of 88 per cent in productivity in 1876 over 1850 followed technical improvements in the industry, the most notable of which were the change from throstle to ring spinning and the introduction of multiple-loom operation resulting from the invention of the first stop-motion device. The next period of marked increase in productivity was 1919 to 1925, showing a 111 per cent increase in 1925 over 1919. During this period a new, up-to-date mill was erected, equipped with the most modern machinery and planned by efficiency engineers to eliminate unnecessary processes and to coordinate movements of material and workers.

In 1910, 302 weavers were employed in the weave room; in 1925 there were 66 weavers, 47 weavers' helpers, and 34 workers in new occupations created by the power looms. The work of the weavers in 1925 consisted entirely in watching the passage of the cloth through the looms and tying broken ends. The shuttles were threaded by the weavers' helpers. The average number of workers employed in the mill was 35.5 per cent lower in 1925 than in 1919, and the output per man per hour was 19.9 per cent higher. (Labor Review, October, 1926, p. 21.)

#### *Woolen and worsted*

A large proportion of the woolen and worsted manufacturing plants in the United States perform all the processes of manufacture from the wool in the grease to the completed cloth packed ready for shipment. In the European countries the work is much more specialized. Some plants are spinning mills only, some weave only, and some do dyeing and finishing only. Only a small proportion of the establishments carry out all the processes of cloth production. The automatic loom is quite generally used in American worsted mills, but has been adopted to a very limited extent in Europe, the actual number of such looms being very small.

A comparison in the man-hour production in the woolen and worsted manufacturing establishments of the United States with the man-hour production of selected sample fabrics of identical loom analysis in similar establishments in foreign countries shows the following:

Sample 1: Total time required per yard—American mill, 0.8547 hour; English mill, 1.4473 hours. The American weaver tended six looms set at a speed of 120 picks per minute; the English weaver tended two looms of the same speed.

Sample 7: Total time required per yard—American mill, 0.9788 hour; English mill, 1.4510 hours; German mill, 1.6277 hours. The American weaver tended six looms and the German weaver two looms with a speed of 120 picks per minute; the English weaver tended two looms of 130-pick speed. The number of yards produced per loom per week of 48 hours was 109.5 in the United States, 118 in England, and 93 in Germany.

Sample 12: Total time required per yard—American mill, 0.5683 hour; English mill, 0.9988 hour; French mill, 0.9885 hour. The French and English weavers each tended only one loom, geared to 96 picks per minute. The American weaver ran two looms operating at 100 picks per minute.

The time consumed in dressing and weaving 1 yard of 54-inch broadcloth was 0.5100 man-hour in the American mill, 0.5630 man-hour in the English mill, and 0.8800 hour in the German mill. The American ran two looms at 112 picks per minute and produced 124 yards per loom in a 48-hour week. The English and German weavers tended only one loom each, of 80-pick speed, producing in a 48-hour week 140 yards per loom in the English mill and 98 yards per loom in the German mill. (Labor Review, September, 1928, p. 1.)



## TRANSPORTATION

## Railroads

Labor productivity: Considering all employees engaged in railroad work—executives, officials, professional men, clerks, and all employees doing railroad work of whatever nature—96.03 tons of freight and 8.08 passengers were moved a distance of 1 mile per man-hour in 1924, as compared with 94.21 tons of freight and 7.82 passengers in 1923, and 88.62 tons of freight and 8.37 passengers in 1922. Eliminating all employees except those actually engaged in transportation, 293.27 tons of freight and 24.67 passengers were transported 1 mile per man-hour in 1924, as compared with 290.36 tons of freight and 24.12 passengers in 1923, and 267.68 tons of freight and 25.29 passengers in 1922. Continuing the process of elimination, road freight employees actually handling the trains moved 1,070.05 ton-miles of freight per man-hour in 1924, 993.55 ton-miles in 1923, and 971.19 in 1922. Road passenger employees produced 305.69 passenger-miles per man-hour in 1924, 316.20 in 1923, and 304.63 in 1922. (Labor Review, April, 1926, p. 72. Based on data compiled by Interstate Commerce Commission.)

Interstate Commerce Commission reports for January, 1926, showed that the average amount of coal shoveled by railroad firemen in road service was as follows: Freight firemen in the eastern district, 7.6 tons per average day (263.7 pounds per locomotive-mile); and in the southern district, 7.8 tons per day (270.3 pounds per locomotive-mile); passenger firemen in the eastern district, 7.3 tons per day (114.8 pounds per locomotive-mile); and in the southern district, 7.5 tons per day, or 119 pounds per locomotive-mile. (Labor Review, June, 1926, p. 74.)

The development in the size and power of locomotive engines during the last two decades has brought about an increase in the labor and the productivity of firemen. Estimates based on Interstate Commerce Commission statistics indicate that from 1903 to 1925 gross ton-miles per train-hour increased 135 per cent, and from 1921 to 1926 they increased 39 per cent. (Labor Review, September, 1927, p. 35.)

The productive output of railroad labor has increased about 40 per cent since 1915 and about 150 per cent since 1890. (Labor Review, March, 1927, p. 1.)

Technological changes: Automatic signals are rapidly displacing watchmen and gatemen at highway crossings. The per cent of displacement ranges from about 50 per cent where combined manual and automatic control is used to 100 per cent where control is wholly automatic. The estimated number of employment opportunities lost through the installation of automatic signal devices and elimination of grade crossings up to 1930 is 44,343. Grade crossings guarded by watchmen operating gates or hand signals constituted 53.7 per cent of the total number of protected crossings in 1924 and 38.7 per cent in 1930. Automatically controlled crossings constituted 61.3 per cent of all protected grade crossings in 1930. The average number of gatemen and flagmen actually on duty at crossings dropped from 23,007 in 1924 to 19,835 in 1930. Specific examples show reduction of staff from 111 to 57; from 27 to 9, etc., after installation of automatic devices in given areas. (Labor Review, April, 1932, p. 759.)

Telephones, printer telegraphs, automatic block-signal systems, interlocking machines, and centralized traffic-control systems used in the movement of trains are rapidly eliminating the telegraph formerly used to transmit train orders, and are thus displacing Morse operators. Printer-telegraph machines used in handling freight-yard traffic are displacing not only Morse telegraph operators but messengers. Information relating to train movements and orders, formerly furnished to the dispatching service by telegraphers and telephoners, now comes through moving lights on a miniature railway system or by an automatic graph which provides a permanent record. Employment in the train-movement group known as telegraphers, telephoners, and towermen declined from 27,226 in 1921 to 18,185 at the close of 1931, a decline of 33.2 per cent. Messengers and office assistants, who were affected by the use of the telephone and teletype on local and intraoffice circuits, dropped from 6,819 in 1921 to 4,642 at the end of 1931, or 31.9 per cent. The decline in employment level between 1921 and 1931 of the entire group of railroad employees classed as communications group, which has been most definitely affected by the technological changes under discussion, was 24.2 per cent.

A centralized traffic-control installation governing 43 miles of single and 19 miles of double track took over the handling of 131 signals and switches and dispensed with 16 operators. A centralized traffic-control machine installed in an interlocking tower regulated traffic on 30.3 miles of single track and displaced 7 telegraphers; in a similar instance involving 33.7 miles of road 11 operators were released. Where train orders are transmitted by teletype there may be no numerical displacement, but typists take the place of skilled Morse operators. Telephony in railroad-ing is passing from manual to automatic operation through the dial system. (Labor Review, May, 1932, p. 1017.)

## Water

The number of persons employed on American vessels, as shown by the fifth census of water transportation taken by the United States Bureau of the Census in 1926, increased from 178,593 in 1916 to 204,393 in 1926, or 14.4 per cent. Two-thirds of the total number were engaged in the freight and passenger service in 1926. In that year the number of passengers per employee had increased 26 per cent over the number for 1916, and 51.7 per cent more freight was handled per employee, a very substantial increase in productivity for the decade. (Labor Review, July, 1929, p. 82.)

British statistics show a decrease in the total number of employees necessary to operate a given tonnage of shipping, from 2,132 per 100,000 net tons in 1911 to 2,084 in 1926. These figures also show an interesting shift in distribution. The number of persons employed in both deck and engine departments decreased between 1911 and 1926, while the steward's department and "other employees" increased materially. "The decrease in the number of persons employed in the engine room may be attributed partly to the increased use of fuel oil by steamships and partly to the increased employment of motor vessels." The increase in the group of "other employees" may be accounted for by the large growth in the luxury type of passenger vessels, this group thus including wireless operators, and musicians, entertainers, and persons in similar occupations connected with social activities on such liners. (Labor Review, November, 1927, p. 30. Based on British census of seamen.)

Longshore labor: A study of longshore labor efficiency at the port of New York by the National Adjustment Commission covering the years 1914, 1919, and 1920 gives the amount of general cargo loaded per man-hour as 0.91 ton in 1914, 0.44 ton in 1919, and 0.52 ton in 1920. Bureau of Labor Statistics figures (based on data from United States Shipping Board) give output in loading and discharging operations of representative ships of the Emergency Fleet Corporation at seven specified ports for 1922. The amount of general cargo loaded per man-hour varied from 0.60 ton at the port of Boston to 1.70 tons at Seattle, with a total of 1.23 tons for all ports. The amount handled per man-hour in discharging ranged from 0.69 ton at Baltimore to 1.14 tons at Norfolk, with a total of 0.87 ton for all ports. (Labor Review, February, 1924, p. 109.)

By the installation of platform trucks in longshore operations 5 trucks manned only by drivers can now do the work done by a crew of 16 men formerly used to work 2 bulkheads. Transferring a crated automobile a couple of hundred feet, which formerly required 10 to 15 men and sometimes required 20 to 30 minutes, can now be done in a few minutes of one man's time, without physical effort, by using a power truck. (Labor Review, October, 1926, p. 32. Quoting Harold J. Payne, in the Pacific Marine Review, August, 1926, p. 366.)

The findings of a Bureau of Labor Statistics field study of productivity of labor in loading and discharging ship cargoes in foreign, intercoastal, and coastwise trade in the major American ports were in part as follows:

In discharging foreign cargo the average productivity per man-hour is shown to vary from 0.57 long ton for the big passenger liners in New York to 1.85 long tons in the oriental trade of Portland, Ore. In the intercoastal trade, productivity per man-hour varies from 0.53 short ton in Charleston to 1.32 short tons in Mobile; and in the coastwise trade from 0.51 long ton in Galveston to 1.54 short ton in Los Angeles.

In loading foreign-trade cargo the productivity per man-hour varies from 0.50 long ton for Charleston, S. C., to 1.45 long tons for Mobile. In the intercoastal trade the variations in loading are from 0.53 short ton per man-hour in Boston to 1.28 short tons in Portland, Ore. In the coastwise trade the loading productivity per man-hour varies from 0.69 short ton in Charleston to 1.51 short tons in Seattle and Galveston.

Productivity rates vary widely as between ships with maximum and those with minimum efficiency. For example, in discharging cargo in intercoastal trade in Seattle the range is from 2.38 long tons to 0.77 long ton per man-hour.

Pier and ship equipment are of primary importance in determining efficiency of the port and productivity of longshore labor. The speed of the winches, or "ship's gear," and their location with relation to the hatchways very largely determine productivity in handling a ship's cargo. In this respect the intercoastal liners, as a group, are better equipped than are the foreign-trade ships, as their winches are more powerful and efficient. Some winches on the west coast, particularly those used in discharging raw sugar at San Francisco, are capable of handling 150 or more loads per hour, while 40 to 50 loads per hour is fairly representative of the capacity of the majority of winches found on foreign-trade vessels. The intercoastal winches are not only more efficient in handling cargo, but they require a smaller gang than is needed for the average winch.

Equipment other than ship's gear must be used to move cargo between the shed and the apron of the pier, and still other devices must be used for piling cargo. The common 2-wheel hand truck is still used on many piers to handle cargo between the shed and the apron of the pier. It is, however, rapidly being replaced by power platform trucks on the more modern docks. Portable conveyors are also used in several instances. Hand processes for piling cargo are used to some extent, particularly in handling raw sugar, but most ports use some sort of mechanical device for stacking, with resulting large reductions in the cost of that process. Cargo stowage is still hand labor, and should be regarded as skilled labor, as it requires experience and judgment to insure the safety both of the cargo and of the ship in passage. With the exception of an occasional application of gravity rollers and dollies, practically no device of any kind is used to facilitate transfer of individual pieces of cargo from the center of the hatch to their place of stowage, which may be some 30 to 50 feet from the center of the hatch.

Special equipment is provided at some piers for discharging individual commodities in which the pier specializes. In handling bananas, for instance, pocket belt conveyors are generally used. In New Orleans and Mobile these conveyors constitute permanent



equipment of the banana piers. Before the conveyor system was introduced in the port of New York, in 1925, the average productivity for 66 ships handled by one line was 12.42 stems of bananas per man-hour. In 1928 with the conveyor system in operation, the average productivity for 97 ships handled by the same concern was 18.37 stems per man-hour, an increase of nearly 50 per cent in man-hour output. Improved equipment and processes used in discharging raw sugar have increased productivity in one instance from 14.1 Cuban bags per man-hour with a gang of 29 longshoremen in 1923 to 27.1 bags per man-hour with a gang of 22 men in 1928. (U. S. Bureau of Labor Statistics Bul. No. 550: Cargo handling and longshore labor conditions, 1931.)

## UNITED STATES GOVERNMENT

## Postal Service

Efficiency in the handling of mails by the United States Postal Service has been promoted in recent years both by mechanization and by improved administrative methods. Mechanical tables, canceling and postmarking machines, automatic conveyors, and automotive transportation are among the mechanical devices which have been instituted to expedite the handling and distribution of both letter and package mail.

The index of productivity in the Postal Service increased from a base of 100 in 1908 to 171.8 in 1930, declining, because of falling off in business, to 163.4 in 1931. The index of total volume of

output handled rose from 100 in 1908 to 265.2 in 1930, and fell to 249.4 in 1931.

Estimating output on the basis of 1908 efficiency, at which time the average output per employee was 82,086 units, 196,623 more employees would have been required to handle the peak load of 1930 than were actually employed, and in 1931 the employment of an additional 171,739 workers would have been necessary. Thus, the per cent of employment opportunities lost through greater efficiency in the Postal Service increased from 9.2 per cent in 1910 to 40.2 in 1926 and 41.8 in 1930. The decrease in the amount of postal business brought the figure for 1931 below that of 1926, or to 38.8 per cent. (Labor Review, October, 1932, p. 745.)

## INCREASE IN LABOR PRODUCTIVITY, 1898 TO 1927

Computations of the increase in total productivity and in output per worker during the 30 years from 1898 to 1927 in the principal branches of American industry are contained in the annual report of the Secretary of Commerce for the fiscal year ended June 30, 1928. The table presented below shows indexes of gain in efficiency of industry and is compiled from the data contained in the report of the Secretary. This table, which even in years covered by census statistics necessarily involves a considerable resort to estimation, nevertheless shows within a reasonable margin the true tendency of American industry since the beginning of the century and in the years immediately following the close of the World War.

Indexes of gain in efficiency of industry<sup>1</sup>

[Data for manufactures refer to 1899, 1919, and 1927. Other data are averages for the periods 1898-1900, 1918-1920, and 1926-27]

Industry	Number of workers		Indexes on base 1898-1900=100			Value of output, 1898-1900, used for weighting
	1898-1900	1926-27	Number of workers	Quantitative output	Output per worker	
Agriculture.....	10,700,000	10,500,000	98	155	157	\$3,500,000,000
Mining.....	600,000	1,050,000	176	379	215	600,000,000
Manufactures.....	5,300,000	9,880,000	186½	279	149½	4,830,000,000
Rail transportation.....	975,000	1,865,000	191½	308	161	1,300,000,000
Total or average.....	17,575,000	23,295,000	132.5	246 208½	185½ 157	10,230,000,000

  

Industry	Number of workers		Indexes on base 1918-1920=100			Value of output, 1918-1920, used for weighting
	1918-1920	1926-27	Number of workers	Quantitative output	Output per worker	
Agriculture.....	11,300,000	10,500,000	93	118	127	\$15,700,000,000
Mining.....	1,050,000	1,050,000	100	138	138	3,175,000,000
Manufactures.....	10,675,000	9,725,000	91	130½	143	24,750,000,000
Rail transportation.....	2,035,000	1,865,000	91½	102½	112	4,725,000,000
Total or average.....	25,060,000	23,140,000	92.3	124 123	134½ 133	48,350,000,000

<sup>1</sup> Given in U. S. Bureau of Labor Statistics, Bul. No. 491, p. 619.

<sup>2</sup> Actual change in number of workers.

<sup>3</sup> Weighted by value.

<sup>4</sup> Weighted by workers.

## OUTPUT PER EMPLOYEE IN MANUFACTURING INDUSTRIES, 1919 TO 1925

Upon completion of the 1925 Census of Manufactures, the United States Department of Commerce compiled a table showing, by census years from 1899 to 1925 and by principal industries, index numbers of the total number of persons engaged in manufacturing industries and of the physical volume of production. This table is reproduced below, the only change being the addition of

the line showing "production per person engaged" in each industry group, these figures having been computed by the Bureau of Labor Statistics from the basic data given in the original statement. In comparing these figures with somewhat similar ones published in studies by the Bureau of Labor Statistics, it is to be noted that these figures relate to all "persons employed" and not merely to wage earners, and thus include office and supervisory employees.

Index numbers showing growth of manufactures, by industrial groups, 1899 to 1925<sup>1</sup>

[The data for "All industries" given in this table for number of persons engaged and primary horsepower are based upon complete census totals, but those for the individual groups are derived from figures covering only those industries directly represented in the index; i. e., those industries for which statistics are available showing the physical volume of output of their principal products. Such industries comprise about 50 per cent of all industries, as measured by number of persons engaged, primary horsepower, or value added by manufacture, but among the several groups this proportion varies from about 20 per cent for paper and printing to practically 100 per cent for tobacco products. Although the index is probably a reliable measure of changes in output for manufactures as a whole and for a number of individual groups, yet for a few groups, owing to limitations of data, the index is not typical of the entire groups represented. For this reason the three sets of data have been made to cover the same industries in each group, and are to that extent comparable]

Industry group	Index numbers (1919=100)								Per cent of increase 1899-1925
	1925	1923	1921	1919	1914	1909	1904	1899	
All industries:									
Physical volume of production.....	128.6	122.1	79.3	100.0	78.1	73.5	56.4	46.2	172.4
Number of persons engaged.....	91.4	96.2	77.3	100.0	76.4	71.0	57.5	48.9	86.9
Primary horsepower.....	121.8	112.8	100.0	100.0	76.0	63.3	45.7	34.2	256.1
Production per person engaged.....	140.7	126.9	102.6	100.0	102.2	103.5	98.1	94.5	49.0
Food and kindred products:									
Physical volume of production.....	116.4	111.6	93.5	100.0	80.8	74.8	65.1	53.0	119.6
Number of persons engaged.....	81.3	83.5	76.1	100.0	71.1	62.7	53.8	49.2	65.2
Primary horsepower.....	115.8	107.6	100.0	100.0	81.5	70.4	60.7	49.1	135.8
Production per person engaged.....	143.2	133.7	122.9	100.0	113.6	119.3	121.0	107.7	33.0
Textiles and their products:									
Physical volume of production.....	119.3	122.9	96.8	100.0	96.8	91.9	71.9	60.7	96.5
Number of persons engaged.....	104.5	111.1	95.0	100.0	89.3	85.2	71.7	63.9	63.5
Primary horsepower.....	126.6	116.7	100.0	100.0	83.7	70.0	53.9	43.6	190.4
Production per person engaged.....	114.2	110.6	101.9	100.0	108.4	107.9	100.3	95.0	20.2

<sup>1</sup> Labor Review, June, 1927, p. 52.



Index numbers showing growth of manufactures, by industrial groups, 1899 to 1925—Continued

Industry group	Index numbers (1919=100)								Per cent of increase 1899-1925
	1925	1923	1921	1919	1914	1909	1904	1899	
<b>Iron and steel and their products:</b>									
Physical volume of production.....	131.5	131.2	56.6	100.0	71.1	75.3	51.8	43.2	204.4
Number of persons engaged.....	95.6	102.1	65.5	100.0	68.2	58.3	46.3	38.9	145.8
Primary horsepower.....	114.1	110.3	-----	100.0	71.1	59.1	43.0	28.0	307.5
Production per person engaged.....	137.6	128.5	86.4	100.0	104.3	129.2	111.9	111.1	23.9
<b>Lumber:</b>									
Physical volume of production.....	113.6	110.1	79.9	100.0	110.6	137.3	104.0	106.4	6.8
Number of persons engaged.....	94.1	98.9	73.9	100.0	99.5	113.9	83.0	87.4	7.7
Primary horsepower.....	86.9	81.9	-----	100.0	92.9	98.2	63.2	58.3	49.1
Production per person engaged.....	120.7	111.3	108.1	100.0	111.2	120.6	125.3	121.7	1.8
<b>Leather and its remanufactures:</b>									
Physical volume of production.....	93.4	105.6	85.2	100.0	87.4	87.7	81.5	69.8	33.3
Number of persons engaged.....	90.6	99.8	81.8	100.0	85.7	84.7	70.1	65.4	38.5
Primary horsepower.....	106.9	105.9	-----	100.0	80.5	69.1	51.2	40.8	162.0
Production per person engaged.....	103.1	105.8	104.2	100.0	102.0	103.5	116.3	105.7	13.4
<b>Paper and printing and related industries:</b>									
Physical volume of production.....	152.8	137.1	93.4	100.0	87.5	69.8	51.9	36.6	317.5
Number of persons engaged.....	108.8	105.5	92.4	100.0	76.5	65.2	56.1	42.4	156.6
Primary horsepower.....	131.1	117.7	-----	100.0	87.6	70.5	59.1	41.2	218.2
Production per person engaged.....	140.4	128.7	101.1	100.0	114.4	107.1	92.5	86.3	62.8
<b>Chemicals and allied products:</b>									
Physical volume of production.....	140.6	125.1	94.5	100.0	70.7	58.8	42.9	30.2	365.6
Number of persons engaged.....	91.8	95.7	77.6	100.0	70.3	60.5	49.5	42.3	117.0
Primary horsepower.....	147.1	134.8	-----	100.0	72.6	49.6	35.0	21.9	571.7
Production per person engaged.....	153.2	130.7	121.8	100.0	100.6	97.2	86.7	71.4	114.6
<b>Stone, clay, and glass products:</b>									
Physical volume of production.....	179.1	155.6	93.3	100.0	113.5	104.3	78.9	67.3	169.1
Number of persons engaged.....	115.1	115.7	84.1	100.0	110.4	95.4	81.8	68.4	68.3
Primary horsepower.....	151.5	124.7	-----	100.0	98.4	74.9	44.6	28.0	441.1
Production per person engaged.....	155.6	134.5	110.9	100.0	102.8	109.3	96.5	98.4	58.1
<b>Metals and metal products other than iron and steel:</b>									
Physical volume of production.....	132.4	125.7	66.5	100.0	64.9	60.6	44.5	31.4	321.7
Number of persons engaged.....	81.2	91.2	53.6	100.0	66.4	61.2	51.6	43.3	87.5
Primary horsepower.....	114.0	117.5	-----	100.0	53.8	44.1	28.3	19.8	475.8
Production per person engaged.....	163.1	137.8	124.1	100.0	97.7	99.0	86.2	72.5	125.0
<b>Tobacco manufactures:</b>									
Physical volume of production.....	124.4	109.8	95.3	100.0	76.4	66.6	57.8	46.3	168.7
Number of persons engaged.....	79.9	91.2	93.4	100.0	116.3	108.9	103.4	86.6	17.7
Primary horsepower.....	97.0	100.3	-----	100.0	80.5	65.7	56.7	51.4	88.7
Production per person engaged.....	155.7	120.4	102.0	100.0	65.7	61.2	55.9	53.5	191.0
<b>Vehicles for land transportation:</b>									
Physical volume of production.....	238.3	199.5	76.8	100.0	36.0	17.8	9.3	5.0	4,666.0
Number of persons engaged.....	108.3	114.8	65.2	100.0	54.9	42.5	29.9	25.4	236.4
Primary horsepower.....	182.5	148.9	-----	100.0	51.2	35.6	19.5	13.4	1,261.9
Production per person engaged.....	220.0	173.8	117.8	100.0	65.6	41.9	31.1	19.7	1,016.8
<b>Ship and boat building:</b>									
Physical volume of production.....	7.0	7.9	30.7	100.0	7.3	7.2	10.0	9.0	122.2
Number of persons engaged.....	13.5	65.4	27.8	100.0	11.8	10.9	13.2	11.9	13.4
Primary horsepower.....	54.8	57.4	-----	100.0	20.8	15.9	14.1	11.2	389.3
Production per person engaged.....	51.9	12.1	110.4	100.0	61.9	66.1	75.8	75.6	131.3
<b>Rubber:</b>									
Physical volume of production.....	158.8	130.8	80.0	100.0	32.3	21.0	-----	-----	-----
Number of persons engaged.....	79.7	80.5	62.7	100.0	41.5	25.2	21.9	18.7	326.2
Primary horsepower.....	152.8	140.9	-----	100.0	46.4	28.5	20.2	16.6	820.5
Production per person engaged.....	199.3	162.5	127.6	100.0	77.8	83.3	-----	-----	-----

¹ Decrease.

## GROWTH IN USE OF POWER EQUIPMENT IN THE UNITED STATES, 1849 TO 1923

The substitution of mechanical for hand power is, of course, the main factor responsible for the very great increase in the productivity of American industry. A study published by the United States Geological Survey attempts to measure, as precisely as existing statistics permit, the development of power equipment over a period of years in each of the major fields of industrial

activity. The following table, taken from the study referred to, shows the equipment utilized per wage earner, in different activity groups, for the same years. It will be seen that during the 25 years from 1899 to 1923, the horsepower equipment utilized per wage earner increased from 1.40 to 3.76 in manufactures, from 3.36 to 6.52 in mines and quarries, and from 2.32 to 4.74 in agriculture.

Horsepower of prime movers utilized per wage earner in different activities and groups, 1849 to 1923¹

## HORSEPOWER

Year	Manu- factures	Mines and quar- ries	Agricul- ture	Electric central stations	Electric railroads	Steam railroads	Ships	"Manu- factures"²	"Mate- rials"³	"Heavy transporta- tion"⁴	"Manu- factures" and "mate- rials"
1849.....	0.02	0.61	1.32	-----	-----	2.4	7.0	0.92	1.31	4.1	1.23
1859.....	1.07	.95	1.72	-----	-----	7.8	11.2	1.07	1.70	8.8	1.58
1869.....	1.14	2.11	1.63	-----	-----	10.2	12.1	1.14	1.65	10.6	1.52
1879.....	1.25	2.61	1.80	-----	-----	14.0	12.5	1.25	1.82	13.8	1.68
1889.....	1.40	3.36	2.32	24.0	1.97	21.8	18.8	1.40	2.39	19.9	2.03
1899.....	1.90	4.63	2.29	48.0	8.18	22.5	24.3	2.02	2.44	21.0	2.30
1909.....	2.82	4.77	2.52	95.0	14.87	30.2	25.8	3.13	2.70	27.9	2.85
1919.....	3.26	6.17	4.10	127.5	21.40	37.8	38.1	3.32	4.37	35.8	3.90
1923.....	3.76	6.52	4.74	157.0	22.25	40.3	51.3	3.85	5.05	37.4	4.51

## INDEX NUMBERS (1899=100)

1849.....	48	13	58	-----	-----	11	29	46	54	20	53
1859.....	56	21	75	-----	-----	35	46	53	70	42	69
1869.....	60	46	71	-----	-----	45	50	56	68	50	66
1879.....	66	56	79	-----	-----	62	51	62	75	66	73
1889.....	74	73	101	50	24	97	77	69	98	95	90
1899.....	100	100	100	100	100	100	100	100	100	100	100
1909.....	148	103	110	198	182	134	106	155	111	133	124
1919.....	172	133	179	266	262	168	157	164	179	170	170
1923.....	193	141	207	327	272	179	211	190	207	178	196

¹ Labor Review, July, 1928, p. 36. Based on U. S. Geological Survey. Water supply paper 579: Power capacity and production in the United States, 1928.

² Based on 50 commodities, and including prime movers installed in manufactures and electric central stations minus the estimated prime movers of central stations utilized in mines and quarries, agriculture, and electric railroads.

³ Includes prime movers utilized in mines and quarries, agriculture, and irrigation and drainage.

⁴ Includes prime movers utilized in electric railroads, steam railroads, and ships.



Mr. HALE. Mr. President, I ask unanimous consent that when the Senate concludes its business to-day, it recess until 12 o'clock noon to-morrow.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. HALE. Mr. President, I offer the following unanimous-consent agreement and ask that the clerk may read it.

The VICE PRESIDENT. The clerk will read, as requested. The legislative clerk read as follows:

*Ordered*, by unanimous consent, That after the hour of 5.30 o'clock p. m. to-day, no Senator shall speak more than once or longer than 15 minutes upon the pending bill, H. R. 13520, or any amendment or motion relating thereto.

The VICE PRESIDENT. Is there objection?

Mr. CONNALLY. Mr. President, does that mean we can not talk on anything either relating to the bill or any other subject?

The VICE PRESIDENT. Not longer than 15 minutes.

Mr. JOHNSON. Mr. President, may I ask the Senator from Maine if it is his purpose to take a recess if the unanimous-consent agreement be entered into?

Mr. HALE. If an agreement can be reached by unanimous consent I shall be willing to recess until to-morrow.

Mr. JOHNSON. One other query: The proposal provides a 15-minute limitation on the bill and 15 minutes on any amendment thereto?

Mr. HALE. That is correct.

Mr. JOHNSON. I have no objection.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

#### EMERGENCY LEGISLATIVE PROGRAM OF FARM ORGANIZATIONS

Mr. CONNALLY. Mr. President, I ask unanimous consent that there may be printed in the RECORD a radio address of Edward A. O'Neal, president of the Farm Bureau Federation, delivered on January 14 on the subject of Emergency Legislative Program of Farm Organizations.

The VICE PRESIDENT. Without objection, it is so ordered.

The address is as follows:

The condition of agriculture in the Nation is so desperate that we must have immediate relief. Too long has Congress dilly-dallied with half-way measures which do not go to the heart of the trouble and which merely postpone the evil day. We must go to the root of our trouble with direct methods that will get results and start our Nation back on the road to prosperity.

The first step is to restore the purchasing power of agriculture. Eighty million of our people are without adequate purchasing power because of the terrible plight of agriculture. In 1919, the purchasing power of agriculture amounted to \$16,000,000,000 and the total farm property was valued at \$78,000,000,000.

What a different picture to-day! The annual total income of agriculture has dropped more than \$10,000,000,000. This means a total annual loss to agriculture exceeding the total European war debt owed to us. The value of farm property has dropped more than \$20,000,000,000 since 1919. The agricultural income has dropped more than \$6,500,000,000 since 1929 and is now less than one-half the 1929 figures.

The average level of farm prices in 1919 was 209 per cent of pre-war level. In 1929 it was 138 per cent; now it is 52 per cent. This is what he gets when he sells. When he goes to buy he pays 106 per cent of pre-war prices. There is no equality in this.

In the face of this enormous decline in income, farmers are staggering under enormous burdens of taxes and debts with a total farm tax level two and one-half times the pre-war amount and a farm-mortgage debt three times the pre-war level. Furthermore, agriculture has had to absorb a heavy burden of taking care of the unemployed.

Is it any wonder in the face of such conditions as these that ten to thirteen million people in the cities are unemployed? That factories and mills are closed or working only on a part-time basis and business in general stagnating?

It is the task of our national leadership to stop the paralyzing forces of deflation that have been going on for the past several years and readjust our economic margin so that it can function in a normal way.

I am hopeful that we will not have to wait much longer for effective relief. The people of the Nation have spoken in no uncertain terms, demanding such relief. We farm leaders are doing everything in our power to speed effective action. Immediately following the last annual meeting of the American Farm Bureau Federation I hastened to Washington, accompanied by Secretary Winder and several members of our legislative committee, to secure action upon our program. I called together leaders of all the national farm organizations and the principal cooperative associations to confer together and agree, if possible, upon a joint program for the rehabilitation of agriculture. A representative of

the President elect sat in with us during our deliberations, and we were assured that if the farm leaders could agree upon a program for agriculture the President elect would support that program. This in itself augurs well for a new day for American agriculture.

At the conference of farm leaders held in Washington December 12-15, an agricultural-relief measure was unanimously agreed upon. We also agreed upon an emergency credit program and a monetary program. I want to tell you briefly about these emergency measures for which we are fighting. The next morning, after the farm leaders had agreed upon the program, the House Committee on Agriculture, at the call of Chairman JONES, of Texas, met to hear these proposals. The committee, after study and consideration of this program, reported it favorably to the House, with some modifications. The House leadership cleared the way for prompt consideration by the House, with the result that the bill, with some modifications, was passed by a vote of 203 to 151—just 30 days to a day from the date the farm leaders met to work out a plan.

The opposition was led by the minority party in the House. The bill was supported by 139 Democrats, 63 Republicans, and 1 Farmer-Labor; and opposed by 101 Republicans and 50 Democrats. The enactment of the plan into law now depends upon the Senate and the President of the United States.

I can not understand how Representatives from agricultural districts can vote against the farmer and vote just as the big packers and millers and cotton spinners would like to have them vote. Neither can I understand how any Representative from a cotton-growing district can vote against placing a tariff on jute and jute products, as was proposed in the bill, to protect our cotton industry against the importation of this cheap material from India.

Organized agriculture won another great victory when it succeeded in putting in this bill a provision for a tariff of 5 cents per pound on the vegetable, animal, and marine oils that displace our butter, our beef fats, and cottonseed oil. This is the first time this proposal has ever been approved by either House of Congress.

I want to warn you against a whispering campaign that is going on here against our bill to the effect that this is a bad bill because it is such a new proposal and the farmers do not know anything about it. I think all agree with me that it is high time we had something new besides foreclosures, ruinous prices, tax sales, and inadequate incomes to buy the necessities of life. I think the country generally is tired of the theory that we must maintain the status quo or the country will go to ruin. A lot of us who are close to actual conditions realize all too well that the country is perilously near to that condition already as a result of maintaining the status quo, and that something radically different must be done without further delay.

I want to tell you briefly just what this bill proposes to do for agriculture and let you be the judge of whether it is a good bill or not for this emergency.

Primarily, it is to restore prices of seven of the great basic agricultural commodities of the country—wheat, cotton, hogs, dairy products, tobacco, peanuts, and rice. It is not a bill to fix prices, as our opponents have said. It does not provide for any agricultural commodity's being bought and sold at a fixed price. The farmer will continue to sell in the same markets, through the same marketing machinery, and at price levels established by the same factors as at present. But the legislation does provide that over and above the price received by the farmer through existing marketing channels he will receive a premium which, together with the price received for his products, will be sufficient to give the farmer a fair return for what he produces—a return that will give a fair exchange value for the commodity—a return that will place agricultural commodities upon a parity with industrial commodities.

How is that fair return determined? In the pre-war period, agricultural prices bore a much more favorable relation to industrial prices than since the war. Those relationships were established over a long period, undisturbed by unsettled world-wide economic disturbances and discriminations against agriculture such as have grown up or multiplied since the war. In the pre-war period, the average price to the farmer, for instance, for wheat was approximately 88 cents a bushel, cotton 12 cents a pound, hogs 7 cents a pound, tobacco 10 cents a pound, rice 90 cents a bushel, peanuts 3½ cents a pound, and butterfat 28 cents a pound. Since that time prices for such commodities have declined to lower and lower levels. To-day, as a result, wheat, for instance, has suffered a loss since the pre-war period of approximately 65 per cent of its purchasing power, cotton 53 per cent of its purchasing power, hogs 59 per cent of their purchasing power, tobacco 19 per cent of its purchasing power. Under the bill passed by the House of Representatives, the commodities covered by the measure will again have their pre-war purchasing power or exchange value when the bill is fully in operation.

On the 1933 crops a premium will be paid for cotton, wheat, tobacco, hogs, dairy products, peanuts, and rice, in an amount so that added to the average price that the farmers receive locally throughout the country, the farmer will be receiving for his commodity an amount sufficient to buy as much to-day as he bought in the pre-war period. And should the general price level for the things the farmer buys remain the same during the next marketing season as it is to-day the farmer would, under the bill, be receiving on the portion of his crop consumed domestically, for instance for his wheat, 93 cents a bushel; for his cotton, 12½ cents a pound; for his hogs, \$7.38 a hundredweight; for his



tobacco, 14½ cents a pound; for his rice, 92 cents a bushel; for his butterfat, 26 or 28 cents a pound—less in each case a small deduction for administrative expenses. Thereby the farmer's products will be placed on a parity with industrial products, and the price for agricultural commodities will again bear the same relation to the price for industrial commodities as they bore during the pre-war period.

I ask, which of you wheat farmers would rather take 93 cents per bushel for wheat than 80 cents? Which of you cotton farmers would rather take 12½ cents per pound for cotton than 5 cents per pound? Which of you tobacco growers would rather have 14½ cents per pound instead of 8 cents per pound? Which of you hog producers would prefer \$7 per hundred to \$3? All who would prefer existing prices to those assured under the terms of this bill naturally can classify themselves as being against the bill.

The legislation passed by the House of Representatives, if enacted into law, will place in the hands of the farmer during the next year about a billion dollars additional purchasing power—a billion dollars with which to pay his debts, buy new farm equipment and supplies, and maintain his family.

The measure also provides for relief not only on 1933 crops but also for the period commencing 30 days after the passage of the bill, and running up to the commencement of the 1933 marketing season for the particular commodity. During this initial period, in order to place the plan into effect gradually with a minimum of disturbance, the benefits paid to the farmer will be about one-half of the disparity existing between agricultural and industrial prices. During this initial period the farmer will receive a premium that, coupled with the price he receives from the sale of his products, will give him a total return on the portion of his crop consumed domestically in the case of cotton of 9 cents a pound, in the case of wheat 75 cents a bushel, in the case of hogs \$5 per hundredweight, in the case of rice 75 cents a bushel, in the case of peanuts 3 cents per pound, and in the case of butterfat 26 cents a pound. This premium during the initial period will benefit the farmer who now has his commodity on hand. In the case of crops like wheat and cotton, the premium during the initial period will benefit that farmer who has a carry-over from his 1932 production. The carry-over in the hands of the farmer or his cooperative association, but not in the case of anyone else, may be marketed, and upon marketing the farmer will receive the initial period premiums.

In return for the benefits on the 1933 crops of wheat, cotton, tobacco, peanuts, and rice, and in return for the benefits payable upon hogs at all times, the farmer must do his part in meeting the present situation as to agricultural surpluses. The farmer must reduce his 1933 crop acreage 20 per cent; he must reduce his hog tonnage 20 per cent if he is to receive the benefits.

There is no compulsion on the farmer to make this reduction, except that if he, through selfish interests, feels that he would rather play a lone hand than cooperate with his neighbors, then he is not entitled to the benefits. He need not reduce his acreage or his hog tonnage unless he feels it in his interest to do so, but by the same token, if he fails to do so, he must be content with the market price for his commodity and will not receive any premium. In the case of dairy products, no reductions are required for dairy products which are not to-day on a surplus basis; and in the case of carry-over of wheat, cotton, tobacco, rice, and peanuts, marketing during the initial period, no reduction in acreage need be shown, for obviously those crops were planted before the legislation came into effect. Similarly, no reduction of acreage is required of wheat of this winter's planting, for that acreage was set out before the bill comes into effect; and further, the condition of winter wheat is so poor—the worst in many years—that as a result it is unlikely that there will be any surplus produced.

By these various control measures for acreage and tonnage reduction, it is felt that the farmer will be doing his part toward making the plan workable, toward eliminating abnormal surpluses for the future, and toward cutting down surpluses now on hand. By making such reductions, the farmer will be aiding the Government in making effective this plan for the restoration of parity between the price levels for agricultural and industrial commodities.

Most of the commodities covered by the legislation are produced in amounts in excess of the needs of domestic consumption. The resulting surpluses place the commodity on an export basis and subject in large measure the whole production of the commodity to world price levels. The farmer is entitled to a parity price for all his commodity consumed domestically, but not for that portion of his production that is a surplus over and above domestic needs. Therefore, under the terms of the bill, the farmer will receive the premiums provided on only that portion of his commodity that he produces for domestic consumption. The portion so needed will be proclaimed by the Secretary of Agriculture on the basis of past domestic consumption.

Using wheat, cotton, and hogs as illustrations, the farmer will receive premiums on approximately 70 per cent of his wheat, 40 per cent of his cotton, and 90 per cent of his hogs. In the case of dairy farmers, premiums will be paid on 80 per cent of their butterfat. The remainder of the farmer's production will, under the bill, be sold, as now, at the prevailing market levels and will not receive the benefit of any premiums. Thereby, the farmer will receive a fair return on his production for the domestic market, but on his production for the world market he will, as now, receive only the prevailing market price.

How does the bill operate to bring these benefits to agriculture? The plan is not nearly so complicated as its enemies would have

you believe. All the farmer has to do is submit his evidence in the form of a statement at the time of the delivery of his product, showing that he has reduced his production 20 per cent below the amount for the corresponding period last year. This entitles him to receive adjustment certificates, which will pay him the difference between current market prices and the fair exchange values specified in the bill. He will get these certificates on the percentage of his production which can be consumed domestically. The money with which to pay these certificates is collected by levying a tax upon the first processing of the commodity, to be collected by the Government from the processors.

Enemies of the measure are trying to discredit it by calling it a sales tax. They are trying to frighten consumer opposition by expressing horror at what they term a sales tax on the necessities of life. It is not a sales tax since it lacks one of the essentials of such a tax: This is not a charge laid on people to pay the expenses of government; not at all. It is merely a device for converting a bad distribution of income which has arisen in the last few years; to take us back—in price relationships—to where we were a few years ago when all of us were well off.

During the last session of Congress the sales tax was advocated for the purpose of balancing the Budget. It would apply to everything that the farmer or the laborer purchased. It took into no account that fundamental principle of taxation, ability to pay. Rich and poor paid alike on all they purchased, although the income of the wealthy man might be a thousand times that of the income of the farmer. The sales tax proposed in the last session of Congress was a tax that unduly burdened the farmer and was unduly favorable to industry. It compelled the farmer to take an unfair share of the burden of balancing the Budget. But the tax imposed by the present bill has no such results. It is not a tax to balance the Budget. It is a tax the benefits of which all go in the first instance to the farmer. It is a tax which is a part of the machinery to relieve the present economic distress in agriculture and in all the Nation. It is a tax which will place additional purchasing power in the farmer's hands, and every dollar of it will be transferred by the farmer back to the cities and result in increased employment and stimulation of business and an increased purchasing power for labor. This tax is for the benefit of the very people in this Nation against whom the general sales tax of last session was an unfair discrimination.

I hope that the consumers living in the cities and towns of our country will not be deceived by the propaganda of the packers, the millers, and other middlemen. Why are these middlemen so solicitous for the welfare of the consumer all at once? Since when have they reformed their tactics and assumed the rôle of public benefactors? I want to warn every consumer not to be deceived by such tactics. Don't forget that it is these very agencies between the farmer and the consumer that are taking the great share of the consumer's dollar; it is they who are making the consumer's burden heavy. If they have the welfare of the consumer so much at heart, why have they failed to reduce the margin between the farmer and the consumer proportionately to the reduction in farm prices? To-day the margin between the price of live hogs and the retail price of the products of a hog are greater than they were in 1929, despite the fact that the price of live hogs has dropped from \$9.86 per hundred to less than \$3 per hundred?

The farmer sells his corn for eight cents a bushel in Iowa and corn meal is sold in this city for \$2.80 a bushel and corn flakes, \$8.96 a bushel. The Iowa farmer gets about \$3.50 per hundred for hogs, but the products made from that amount retail for \$10.00, or a margin of \$6.50 between the producer and consumer—twice as much for distribution as for production. To-day the price of hogs is 4 cents a pound lower than in 1913, but the price of ham is higher by 7 cents a pound. In regard to wheat and bread, it requires a fluctuation of \$2.50 a barrel in the price of flour before there can be a reflection of a cent either in reduction or increase in the selling price of a loaf of bread, according to the testimony a few years ago of an attorney for the American Bakers Association. It takes 4½ bushels of wheat to make a barrel of flour. In other words, the price of wheat must change 55½ cents per bushel before it would influence the price of bread in the slightest. The proposed bill would raise the farm price of wheat about 60 cents and therefore should not raise the price of bread.

Let us not forget that every consumer is in the last analysis a producer of something—goods, labor, or services. When rural America representing nearly one-half of the buying power of the Nation loses her buying power, it means that the factories and mills in the cities and towns close down, that people in the cities are thrown out of work, that doctors and nurses can not collect their bills, that railroads and public utilities suffer heavy losses in volume of business. The proposed bill equalizes to some extent the returns of the farmers and the middlemen. The consumer has much more at stake in restoring the buying power of agriculture than it has in continuing the swollen profits of a comparatively small group of middlemen.

And, finally, I want to warn our farmers against the propaganda the middlemen are sending out to prejudice farmers against the bill. I am sorry to say that some of your representatives here in Congress—some from agricultural districts—have already been deceived and are fighting the battles of the packers, the millers, and the cotton gamblers. These middlemen are trying to get the farmers to believe that they will pay these adjustment charges.

Now let us see how consistent their arguments are: They tell the consumer that it is an iniquitous bill, because, they say, the tax will all be passed on to the consumer. They tell the farmer



that the consumer will refuse to pay the tax and, therefore, that it will be passed back to the farmer. Obviously it can not be paid both by the farmer and the customer. It is plain that a deliberate effort is under way to frighten both the consumer and the producer, so that the agencies in between the farmer and consumer can continue to exploit both to their own advantage.

Our emergency credit program is also getting under way. I have already appeared before the Senate Banking and Currency Committee and presented the results of a 2-year study made by our national rural credits committee, as well as additional proposals of an emergency character developed at the recent national conference of farm leaders. Further hearings will likely be held in the near future.

We believe we have formulated a program that will be immediately helpful to thousands of farmers who are in danger of losing their homes and all their property through ruthless foreclosures and forced settlements of debts.

First, we propose to establish under the sanction of law a debt-conciliation commission in every county in the United States to provide a cheap and fair method for the prompt adjustment of debts of good farmers, where a voluntary, but binding, agreement can be reached between debtor and creditor through the intervention of this commission. Many cases can be settled on this voluntary basis. Others will require further action.

To enable the Federal land banks to help others who can not be helped by this voluntary procedure, we propose several measures.

First, there should be an emergency loan fund for the use of the Federal land banks to refinance farmers by getting their debts scaled down to a workable basis and issuing a new mortgage at a lower rate of interest and amortized over a long period of time. In some cases a second mortgage, chattel mortgage, and crop mortgage may be necessary to care for the balance of the debt.

Second, the Federal land banks should be strengthened through the immediate purchase of \$100,000,000 worth of nonvoting stock or reserves by the United States Treasury, to be repaid out of new stock subscribed by farmer-borrowers. This action would help the banks to take over any sound first mortgage from any individual creditor that found it necessary to liquidate and refinance it at lower interest rates and for a longer period of time, thereby enabling the farmer to save his home from foreclosure and give him a more liberal basis of settlement.

We propose also that the Reconstruction Finance Corporation buy immediately \$160,000,000 worth of outstanding 5 per cent Federal land-bank bonds so that these can be retired and replaced by bonds at a lower interest rate; also \$134,000,000 worth of 4½ per cent Federal land-bank bonds for a similar purpose, and that the Reconstruction Finance Corporation buy such additional bonds as necessary to provide funds for new, sound first mortgages on farms approved by the Federal land banks.

Further, the Treasury should purchase additional nonvoting stock—probably about \$50,000,000 this year—to provide funds so that the Federal land banks can grant extensions of both principal and interest to worthy borrowers who have a reasonable chance to pay back at the end of the mortgage period, instead of within five years, as now required.

Finally, we recommend the liquidation of the joint-stock land banks, the canceling of their charters, and the repeal of that part of the farm loan act. This liquidation should be done by the Federal Farm Loan Board and should be carried out in such a way as to protect the interests of the farmer-borrowers and the bondholders.

Such, in outline, are the recommendations which we propose to meet the present debt emergency of agriculture. Congress must not delay action on this matter longer. The interests of the creditors as well as the debtors are at stake. Foreclosures, under present conditions, sacrifice needlessly the interests of both. Both parties promised effective relief in the recent campaign. Now is the time to fulfill these pledges; next session will be too late to help many of those who are now in distress.

My friends, this is the emergency program we are fighting for this session. There are other fundamental measures in our long-time program which must receive attention later. But meanwhile we must have emergency relief. Agriculture and the Nation can wait no longer without grave disaster to our country.

#### PROBLEMS CONFRONTING THE DEMOCRATIC PARTY

Mr. BRATTON. Mr. President, on the 28th instant the junior Senator from South Carolina [Mr. BYRNES] delivered over the Columbia Broadcasting System a very interesting, informative, and illuminating address on the subject of Problems Confronting the Democratic Party. I ask unanimous consent to have the address printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The address is as follows:

No Democrat can contemplate the transfer on March 4 next of the control of the Government of the United States to the Democratic Party without being overwhelmed by a sense of responsibility. I doubt if, in time of peace, any party has ever come into control of the Government under conditions comparable with those now existing. At home and abroad there exists among the people

unparalleled unrest. The people stagger under the burden of public and private debts.

The cost of government, Federal, State, county, and municipal, totals approximately \$12,000,000,000, which is four times as much as the cost of government in 1913.

The bonded indebtedness of States, counties, and municipalities has reached the enormous sum of \$8,690,668,000, with an annual interest charge of more than \$400,000,000.

Farmers of America in 1930 had a mortgage indebtedness amounting to \$9,241,390,000. The interest upon this amount, plus the taxes due to State and subdivisions, make the fixed charges on the farm almost equal the income of the farm at existing price levels, and leaves to the farmer little income with which to meet the cost of production and provide the necessities of life for himself and his family.

High tariff duties levied by the Fordney Act and the Smoot-Hawley Act, have resulted in retaliation abroad, and the artificial barriers to trade thus created, combined with the economic conditions abroad, have contributed to the destruction of our foreign trade. Our industries have become practically dependent upon the domestic market, and the present low prices of agricultural products and unemployment have destroyed that market. Fifty per cent of our people, dependent upon agriculture, have, as a result of prevailing prices for agricultural products, been deprived of their purchasing power.

In the streets of the cities the army of the unemployed continues to increase, and from every State there comes to the Federal Government demands for financial relief for the destitute and the hungry.

In the banking world from January 1, 1929, to January 21, 1933, a total of 5,891 banks closed their doors. These banks had total deposits of \$4,597,000,000. The percentage recovered by the depositors it is impossible to estimate, but the amount has been so small that it is fair to say that in the loss of this four and a half billion dollars the capital of millions of people has been absolutely wiped out.

As the people, reduced to the economic plight which these figures indicate, turn with hope to the new administration, it is but fair to consider for a few moments the condition of the actual machinery of government, the control of which is about to be assumed by the Democratic Party.

The Democrats will come into control of a Treasury which on January 25, 1933, had a deficit of \$1,260,550,466. This deficit has accumulated since July 1, 1932, and it means that each day your Government is spending \$6,000,000 more than its income. No individual can continue for an indefinite period spending more than his income, and that which no individual can do no government can do.

In addition to this, the public debt has increased until your Government on December 31, 1932, owed \$20,805,556,791, an increase in the last two years of \$4,779,469,704. The annual interest upon this debt has reached the staggering sum of \$696,632,000, which sum must annually be taken from the people in taxes.

With the assumption of power, the Democratic Party will also be confronted with a serious transportation problem. The development of American industry is due in great part to the marvelous railroad facilities of the Nation. In recent years the Congress has generously contributed funds to the development of a national highway system which, in turn, has inspired the development of truck and bus transportation. In like manner, the Congress has been contributing the money of the taxpayers to the development of waterways and encouraging barge transportation. It is now urged upon the Congress that it is essential to maintain railroad facilities and, as the competition which has been encouraged in great measure by the generosity of the Congress cripples the railroads of the Nation, the Government is endeavoring through the Reconstruction Finance Corporation to lend the money of the taxpayers to the railroads, in order that they may continue to meet the demands of American industry and agriculture.

The man in the street now realizes the seriousness of this railroad problem. He knows that a loss to the railroads is not a loss to the high-salaried officials but is a loss to the people who own railroad bonds—the insurance companies, the trust companies, the widows and orphans, whose funds have been invested in railroad securities. He knows, too, that to the extent to which these railroad bonds depreciate in value, to that extent there may be a loss to the trust company in which he has deposited his savings or to the insurance company in which he has purchased a policy for the protection of his wife and children in case of his death. He wants this problem solved by men whose minds are free of prejudice and who can do justice to all interests involved.

The foreign relations of the Government are in a condition as deplorable as our domestic affairs. It is the experience of individuals that whenever you lend money to your friends you lose those friends. There is nothing so provocative of controversy between friends as a debt. When your friend defaults and you demand payment you arouse his resentment. When he refuses to pay you he arouses your resentment. This is as true of governments as it is of individuals. To-day it is useless for us to deny the existence of ill feeling between the governments and the people of Europe and the Government and the people of the United States growing out of these international debts. When an individual refuses to pay his debt his creditor has a tribunal to which he can resort to secure judgment for the amount of the debt, and machinery for collection of the judgment. But whenever a government refuses to pay your Government there is no tribunal to



which your Government can resort for the collection of the amount of the obligation.

Thoughtful people long since have reached the conclusion that the reduction of military armaments is essential in order to permit the reduction of governmental expenses and to promote the cause of peace. However, we know that the limitation of armaments will progress only to the extent that a feeling of security exists among the peoples of the world. Notwithstanding the efforts that have been made by the present administration to bring about a reduction of armaments, world conditions have been such that little actual progress has been made. Impelled by fear, the people of all nations continue to make sacrifices in order to increase military armaments.

Time does not permit a more detailed statement of the almost insurmountable difficulties and the overwhelming problems confronting your Government, the solution of which must be sought by the new administration. Attention, however, should be called to the fact that in the existing emergency the Government has been forced to enter new fields of activities, from which activities it must withdraw at the earliest possible date after the passing of the emergency.

The Government has entered into the banking business. The money it is lending through the Reconstruction Finance Corporation comes not from depositors and investors but comes from the taxpayers of the Nation. The Government is taxing one citizen to secure money to lend another citizen. If your Government taxes you to lend money to me, it must in justice to you force payment by me. When a man defaults in payment of a debt due to a bank and the bank forecloses, the debtor resents it, but no harm is done to society. However, a different situation is presented when the Government forecloses the mortgage upon his farm or forces liquidation of the corporation in which he has money invested. The debtor forgets that the money he has borrowed is the money of his neighbors. He regards it as Government money. He recalls the sacrifices made by himself or by his son in the World War. The foreclosure that he expects from a bank he does not expect from his Government, and when the Government forecloses, from that moment you have in that man not a patriotic citizen but a potential enemy. This and other emergency activities have given to the people a new conception of government and has caused men and women to look to the Congress and to the Government for the settlement of many problems which no Congress and no Government can ever settle.

The immensity of the problem confronting us is enough to depress any thoughtful person. There is much that government can not do. However, there is much that it can do.

The Democratic Party must have a definite program. In that program there must first be an honest effort to balance the Budget. It can never be done with exactness. Expenditures must be reduced and if, in order to balance the Budget, it is necessary to levy additional taxes, then taxes must be levied. With a balanced Budget, there can be a refinancing of our public debt. Eight billion dollars of bonds are callable during 1933. If we refinance these bonds at a lower rate of interest, which is possible, approximately \$175,000,000 in interest will annually be saved to the taxpayers.

If by balancing the Budget we can avoid the issuance of short-term notes, it will help industry. To-day the banks are refusing to lend to industry because the Government is borrowing and the banks naturally prefer the safety which comes from lending money to the Government, instead of to individuals. When the Government ceases to issue short-term notes, it will provide an incentive to banks to lend idle funds for legitimate enterprise.

The corner stone of any program for Budget balancing is the reduction of expenditures. All legislative bodies are collectively in favor of economy and individually in favor of extravagance. Most citizens are in favor of economy, provided you do not economize upon the particular project in which they are interested or which they deem helpful to the community in which they reside. From my experience on the Appropriations Committees of the House and of the Senate, I assert there can be no reorganization of government involving a material reduction of expenses unless absolute power is given to the President, not only to consolidate bureaus, but to abolish bureaus. The nearest earthly approach to immortality is a bureau of the Federal Government. Any effort to curtail its activities or abolish it will arouse nation-wide propaganda in opposition to the curtailment of its activities and the reduction of expenditures. The only hope of remedying this condition rests in a President who has the courage and patriotism to act, and in an aroused public sentiment that will cause the Congress to refrain from disapproving his action. After all, the high cost of government is due to the demands of the people. The people must come to realize that government has no money except that which is taken from their own pockets; that Uncle Sam is not a Santa Claus and the Treasury is not a Christmas tree; that the efficiency of a Representative in Congress should be measured not by his ability to secure funds from the Treasury, but by his ability to defeat the efforts of those who seek to secure funds from the Treasury.

It is the duty of every man to support the Government of the United States, but it is not the duty of the Government to support every man in the United States. However, it is the duty of the Government to give to every man the opportunity, without interference from government, or competition with government, to support himself and his family.

Machinery must be provided whereby there can be an adjustment of the mortgage indebtedness of the farmer to the land banks, insurance companies, and other mortgage creditors. It means liquidation on the part of the creditor. To-day there is not a man holding a bond of an industrial enterprise who does not know that he has sustained a loss on that bond. The holder of a farm mortgage must likewise realize that he has a loss on his mortgage debt. He may as well take that loss now and readjust the debt. Through the Federal land-bank system or through a corporation created for the purpose this adjustment machinery can be provided. If the land banks or insurance companies to-day foreclose these mortgages, they can find no purchaser for the farms that come into their possession. They have no desire to enter into the unprofitable business of farming. If by agreement these land-mortgage debts can be scaled down to a point where the farms can be operated with some hope of profit at existing price levels, then the Federal land bank or a corporation can pay this amount to the creditor and a new mortgage can be executed by the farmer to the land bank or to the corporation created by the Government for the amount paid to the creditors, providing for amortization over a period of years. The land banks and insurance companies can in this way take their losses and liquidate their loans; the farmer will remain upon the land and will be placed in a position where with reduced fixed charges he will have some hope of making a living and paying his reduced debt. The settlement of this question will do more than all else to restore hope to that great element of our population upon whom all men agree our prosperity depends.

There must be a final settlement of our foreign debt situation. Under the pledge of the Democratic platform there can be no cancellation. However, there can be an agreement as to how that debt shall be paid, whether solely in gold or partly in gold and partly in commodities that do not compete with American-produced commodities. And there must be a determined effort to bring about in international conference an agreement to reduce tariff duties and thereby remove the artificial barriers which are daily increasing and which will continue to prevent a return to normal conditions. Nations of the world have been, and are now, engaged in a race to see which can levy the highest tariff duties and exclude all foreign commodities. No nation can live unto itself.

The only hope of a return to normal conditions must depend upon the restoration of trade relations between the nations of the world. Not only are European governments indebted to the American Government, but European citizens and corporations are indebted to American citizens. These debts can be discharged only with gold, with commodities sold in the United States, or by services rendered. They have little gold and we now deny them the right to render service or to sell commodities. Our Government led the world in levying prohibitive duties. It must now lead in bringing about an agreement not only to discontinue any further increase in duties, but to reduce existing duties. It must be done simultaneously. If this be not done, we will continue to rely upon domestic consumption. Surplus production in this and in every nation, will cause a continuance of low prices, and a continuation of unemployment. It will likewise cause increasing demands for governments to purchase surplus commodities and other valorization proposals.

These things can not be accomplished at once. There will necessarily be a slow return to anything approaching normal conditions. In the meantime, emergency measures must be adopted. The next President, humane and sympathetic, will not permit the Government to deny relief to the unfortunate and the destitute. But this is temporary relief. We must look toward the permanent solution of these grave problems. In solving them, men who serve in public life must act as soldiers in time of war. Just as a soldier in time of war is willing to sacrifice his life for the good of his country, so must a man in public life to-day be willing to sacrifice his political life in order to do that which may be temporarily unpopular but which he knows is for the good of the American people.

The people of the Nation expect the Democratic Party to demonstrate its capacity to administer the affairs of the Government. There is such a thing as "party responsibility," and that responsibility can be discharged only by the individual Democratic Senator and Congressman being willing to sacrifice his personal views in order to redeem the pledges of his party. The Democratic platform should be the political creed of every Democrat, and, forgetting all personal ambitions, Democrats in and out of public life should determine to cooperate with the next President of the United States in justifying the confidence placed in our party by the people of the Nation.

Of one thing the people of this country may rest assured. The next President will come into that office with a definite program and for the accomplishment of that program will make a courageous fight. In this crisis in the affairs of the Nation all men and women, regardless of their party affiliation, should be willing to give to him and to his party a fair opportunity to do all that Government can possibly do to hasten the return of prosperity and happiness to the American people.

#### EFFECTS OF CURRENCY DEPRECIATION ON DOMESTIC INDUSTRY

MR. DICKINSON. Mr. President, I have recently received a very interesting letter on the subject of the debasement of the currency and effect of depreciation of foreign currencies on American industry. Recently a gentleman made an in-



vestigation in the city of Des Moines, Iowa, with reference to the selling prices of various articles made in foreign countries. I think the data are well worth while, and I ask to have his letter inserted in the RECORD.

There being no objection, the letter was ordered to be inserted in the RECORD, as follows:

DES MOINES, IOWA, January 25, 1933.

HON. L. J. DICKINSON,

United States Senate, Washington, D. C.

DEAR SENATOR: You will be interested in a check-up on five Des Moines stores, showing the variety and volume of imported articles swamping the Middle West, which, due to the difference in money values, have broken through the tariff walls and are competing in a death struggle with American workmen.

I found in one store that practically all of the tableware, all pottery and woodenware displayed comes from Japan. I found that beautiful dinner sets, complete, were laid down in Des Moines from Japan for \$10 a set and were retailed at \$37.50. My attention was called to a letter from an importer, which said in part: "You are urged to place your orders now. \* \* \* The Japanese potteries are booked up almost a year ahead. \* \* \* You are permitted to buy at the present extremely low prices because of the prevailing low value of the Japanese yen," etc. I found linens, draperies, shoes, shoe strings, table decorations, silver-plated cream and sugar sets, potted artificial flowers, bill folds, knives, leather goods, canned beef, etc. The other day I wrote you about office supplies. I find that staplers from Germany which are sold for \$2.50 are laid down in this country for 60 cents, and staples that are sold at 40 cents the box are laid down at 5 cents. I also found certain fancy candles from Belgium sold in metal cigarette cases.

You will find attached to this sheet a list of smaller articles together with the countries of origin and the selling prices. I could not get the prices paid for these articles, but am told that they are purchased at prices from 50 per cent to 75 per cent below what they can be bought for in the United States factories. In the case of a pocket knife, selling for 75 cents, I learned that it was laid down from Germany for 12 cents.

This investigation required just two hours. A complete check-up would without doubt disclose hundreds of other items. The pottery, chinaware, and woodenware items are startlingly bad.

Yours very truly,

L. W. AINSWORTH.

	Cents
Imitation flowers: Germany, Czechoslovakia, Japan (bunch)...	10
Valentines: Germany (for 3).....	5
Light bulbs: Japan.....	10
Thumb tacks: Germany (box).....	10
Opaque glasses: Germany (for 2).....	5
Metal cigarette box (wood lined): Japan and Belgium.....	20
Metal ash tray (large): Japan.....	20
Necklaces (imitation pearl and glass): Japan, Czechoslovakia.....	10
Dress buckles: Czechoslovakia.....	10
Block camphor: Japan.....	10
Needles: England, Germany, Czechoslovakia (package)...	5 and 10
Bone rings (dress decorations): France (card).....	5
Tape measures (small): Germany.....	10
Buttons (decorative): Czechoslovakia (card).....	10
Screw drivers (large): Germany.....	10
Screw drivers (pocket combination): Germany.....	10
Rules (metal 6-inch): Germany.....	10
Toys (all kinds): Germany, Japan.....	10
Dolls (celluloid and china; also rubber): Japan, Germany.....	10
Whistles (toy and police): Germany, Japan.....	10
Harmonicas: Germany.....	10
Stamps (for collections): Germany, England.....	5
Thermometers (household): Germany.....	10
Cigarette holders (composition): Czechoslovakia, Japan.....	10
China (table): Japan (piece).....	10
Brushes (hand and vegetable): Germany.....	10
Handkerchiefs: England, Switzerland.....	10

#### TREASURY AND POST OFFICE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934 and for other purposes.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Tennessee.

Mr. REED. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. REED. I notice that the economy sections of the Treasury and Post Office bill apparently constitute but a single amendment, and, therefore, under the unanimous-consent agreement recently entered into, a limitation of 15 minutes of debate on those sections would apply; that is, a Senator would have 15 minutes, if he wished it, to discuss the entire economy amendment to this bill. Am I correct in that?

The VICE PRESIDENT. Each Senator may have 15 minutes on the amendment and 15 minutes on the bill.

Mr. REED. If a Senator were to move to amend the economy amendment in any respect, would that motion entitle him to 15 minutes' debate on the proposed amendment?

The VICE PRESIDENT. It would entitle him to 15 minutes on the proposed amendment.

#### CORRESPONDENCE ON CURRENCY INFLATION

Mr. REED. Mr. President, in common with all other Senators I have been receiving an enormous volume of mail with regard to the proposal to "revalue the gold ounce" and other proposals to inflate the currency. I have six clerks who are working very long hours every day in an effort to keep up with our correspondence, and they simply can not do more work than they are doing now. So I take this means of stating in the RECORD that it is my intention to send to those correspondents a copy of a speech which I made on January 24 on the subject of currency inflation.

Mr. WALSH of Massachusetts. Mr. President, I assume that the Senator's correspondence is of the same general character that all of us are receiving as a result of a radio talk on this subject by a well-known clergyman.

Mr. REED. Yes. Largely, these statements are provoked by that.

Mr. WALSH of Massachusetts. I also am receiving extensive correspondence of the same character, and am confronted with the same difficulty the Senator experiences in not being able to answer those letters. This is the first time I have been obliged to resort to this means of acknowledging a large volume of correspondence.

Mr. REED. I hope our correspondents will not consider it a rudeness on our part, but it is physically and humanly impossible to respond to such a volume of correspondence in any other fashion.

#### RECESS

Mr. ODDIE. Mr. President, as an agreement has been reached limiting debate on amendments to the pending bill and on the bill itself, which agreement I very thoroughly approve, it is unnecessary to ask for a night session. I feel now that the bill will be given prompt consideration and will be acted on soon.

In view of that fact, Mr. President, I move that the Senate now take a recess until 12 o'clock noon to-morrow.

The VICE PRESIDENT. The question is on the motion of the Senator from Nevada.

The motion was agreed to; and (at 5 o'clock and 32 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Wednesday, February 1, 1933, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate January 31 (legislative day of January 10), 1933

#### POSTMASTERS

##### ALABAMA

John T. Haertel to be postmaster at Citronelle, Ala., in place of J. T. Haertel. Incumbent's commission expires February 28, 1933.

John W. Johnson to be postmaster at Langdale, Ala., in place of J. W. Johnson. Incumbent's commission expires February 28, 1933.

Cora T. Culverhouse to be postmaster at Speigner, Ala. Office became presidential July 1, 1932.

James McDonald to be postmaster at Winfield, Ala., in place of James McDonald. Incumbent's commission expires February 28, 1933.

##### CALIFORNIA

Grove K. Ketchum to be postmaster at Burbank, Calif., in place of G. K. Ketchum. Incumbent's commission expires February 28, 1933.

Pliny M. Arnold to be postmaster at Carlsbad, Calif., in place of P. M. Arnold. Incumbent's commission expires February 28, 1933.



Charles H. Quantock to be postmaster at Loma Linda, Calif., in place of C. H. Quantock. Incumbent's commission expires February 28, 1933.

John A. Scott to be postmaster at Porterville, Calif., in place of J. A. Scott. Incumbent's commission expires February 28, 1933.

Claude C. Hayes to be postmaster at Salida, Calif., in place of C. C. Hayes. Incumbent's commission expires February 28, 1933.

## COLORADO

Cornelia C. Coleman to be postmaster at La Veta, Colo., in place of C. C. Coleman. Incumbent's commission expires February 25, 1933.

## ILLINOIS

Charles Voorhees to be postmaster at Bradley, Ill., in place of Charles Voorhees. Incumbent's commission expires February 28, 1933.

Raymond J. Murphy to be postmaster at De Land, Ill., in place of R. J. Murphy. Incumbent's commission expires February 11, 1933.

Frank M. Allen to be postmaster at Hillview, Ill., in place of F. M. Allen. Incumbent's commission expires February 28, 1933.

Robert F. Sexton to be postmaster at Kansas, Ill., in place of R. F. Sexton. Incumbent's commission expires February 28, 1933.

Harold R. Kerchner to be postmaster at Walnut, Ill., in place of H. R. Kerchner. Incumbent's commission expires February 28, 1933.

Arden S. Coryell to be postmaster at West Union, Ill., in place of A. S. Coryell. Incumbent's commission expires February 28, 1933.

Don A. Spurr to be postmaster at Wilmington, Ill., in place of D. A. Spurr. Incumbent's commission expires February 14, 1933.

## INDIANA

William Endicott to be postmaster at Crawfordsville, Ind., in place of William Endicott. Incumbent's commission expires February 28, 1933.

Walter M. Skinner to be postmaster at Fulton, Ind., in place of W. M. Skinner. Incumbent's commission expired January 19, 1933.

Elmer S. Applegate to be postmaster at Paragon, Ind., in place of E. S. Applegate. Incumbent's commission expires February 18, 1933.

Orville E. Steward to be postmaster at Rossville, Ind., in place of O. E. Steward. Incumbent's commission expires February 18, 1933.

## IOWA

Marie O. Jones to be postmaster at Bussey, Iowa, in place of M. O. Jones. Incumbent's commission expires February 28, 1933.

Millie L. Hoffman to be postmaster at Central City, Iowa, in place of M. L. Hoffman. Incumbent's commission expires February 28, 1933.

Clara Bentzinger to be postmaster at Donnellson, Iowa, in place of Clara Bentzinger. Incumbent's commission expires February 28, 1933.

John M. Wright to be postmaster at Eldon, Iowa, in place of J. M. Wright. Incumbent's commission expires February 28, 1933.

Orwin W. Masching to be postmaster at Exira, Iowa, in place of O. W. Masching. Incumbent's commission expires February 28, 1933.

Martin T. Jensen to be postmaster at Grandmound, Iowa, in place of M. T. Jensen. Incumbent's commission expires February 28, 1933.

Ray Robertson to be postmaster at Maxwell, Iowa, in place of Ray Robertson. Incumbent's commission expires February 28, 1933.

Edgar M. Rhodabek to be postmaster at Missouri Valley, Iowa, in place of E. M. Rhodabek. Incumbent's commission expires February 28, 1933.

Arthur M. Michaelson to be postmaster at Roland, Iowa, in place of A. M. Michaelson. Incumbent's commission expires February 28, 1933.

Clarence B. Moser to be postmaster at Strawberry Point, Iowa, in place of C. B. Moser. Incumbent's commission expires February 28, 1933.

## KANSAS

Orange J. Mark to be postmaster at Coldwater, Kans., in place of O. J. Mark. Incumbent's commission expires February 28, 1933.

Orville G. Hannum to be postmaster at Corning, Kans., in place of O. G. Hannum. Incumbent's commission expired December 19, 1931.

Edna Gordon to be postmaster at Dwight, Kans., in place of Edna Gordon. Incumbent's commission expires February 25, 1933.

Elza W. Reel to be postmaster at Fort Leavenworth, Kans., in place of E. W. Reel. Incumbent's commission expires February 28, 1933.

Charles S. Goodrich to be postmaster at Goff, Kans., in place of C. S. Goodrich. Incumbent's commission expired December 19, 1931.

Lon L. Robinson to be postmaster at La Crosse, Kans., in place of L. L. Robinson. Incumbent's commission expires February 28, 1933.

John A. Porter to be postmaster at Mount Hope, Kans., in place of J. A. Porter. Incumbent's commission expires February 28, 1933.

Karl S. Dale to be postmaster at Protection, Kans., in place of K. S. Dale. Incumbent's commission expires February 28, 1933.

Claude J. Wood to be postmaster at Wetmore, Kans., in place of C. J. Wood. Incumbent's commission expired December 19, 1931.

George E. Crawford to be postmaster at Whiting, Kans., in place of G. E. Crawford. Incumbent's commission expired December 14, 1932.

## LOUISIANA

Joseph C. Ballay to be postmaster at Buras, La., in place of J. C. Ballay. Incumbent's commission expires February 15, 1933.

Albert C. Locke to be postmaster at Marthaville, La., in place of A. C. Locke. Incumbent's commission expires February 9, 1933.

## MAINE

George O. M. Oberg to be postmaster at Bridgton, Me., in place of G. O. M. Oberg. Incumbent's commission expires February 28, 1933.

## MARYLAND

Daniel W. Babcock to be postmaster at Berlin, Md., in place of D. W. Babcock. Incumbent's commission expired January 19, 1933.

Carolyn M. Stuart to be postmaster at Brentwood, Md., in place of C. M. Stuart. Incumbent's commission expires February 28, 1933.

Mary N. Yates to be postmaster at La Plata, Md., in place of M. N. Yates. Incumbent's commission expired December 18, 1932.

Harvey N. Burgoon to be postmaster at Manchester, Md., in place of H. N. Burgoon. Incumbent's commission expires February 28, 1933.

Shadrach G. Sparks to be postmaster at Sparks, Md., in place of S. G. Sparks. Incumbent's commission expires February 28, 1933.

## MASSACHUSETTS

Edmund V. O'Brien to be postmaster at North Brookfield, Mass., in place of E. V. O'Brien. Incumbent's commission expires February 25, 1933.

Clarence J. Conyers to be postmaster at Seekonk, Mass., in place of C. J. Conyers. Incumbent's commission expires February 25, 1933.

## MICHIGAN

Winnie M. Sinclair to be postmaster at Ada, Mich., in place of W. M. Sinclair. Incumbent's commission expires February 28, 1933.



Charles R. Foote to be postmaster at Alto, Mich., in place of C. R. Foote. Incumbent's commission expires February 28, 1933.

Harold D. Cole to be postmaster at Holly, Mich., in place of H. D. Cole. Incumbent's commission expires February 28, 1933.

James F. Jackson to be postmaster at Mohawk, Mich., in place of J. F. Jackson. Incumbent's commission expires February 25, 1933.

Walter C. Oesterle to be postmaster at Webberville, Mich., in place of W. C. Oesterle. Incumbent's commission expires February 28, 1933.

#### MINNESOTA

Rollo F. Dean to be postmaster at Blue Earth, Minn., in place of R. F. Dean. Incumbent's commission expires February 28, 1933.

Aaron T. Arneson to be postmaster at Carver, Minn., in place of A. T. Arneson. Incumbent's commission expires February 28, 1933.

Floyd C. Fuller to be postmaster at Grey Eagle, Minn., in place of F. C. Fuller. Incumbent's commission expires February 25, 1933.

Bernard O. Stime to be postmaster at Jasper, Minn., in place of B. O. Stime. Incumbent's commission expires February 25, 1933.

Alvin E. Comstock to be postmaster at Lakefield, Minn., in place of A. E. Comstock. Incumbent's commission expires February 25, 1933.

Edith Steinbring to be postmaster at Markville, Minn., in place of Edith Steinbring. Incumbent's commission expires February 25, 1933.

Frank L. Hoagland to be postmaster at Marshall, Minn., in place of F. L. Hoagland. Incumbent's commission expires February 25, 1933.

#### MISSISSIPPI

Annie B. Sherman to be postmaster at Brookhaven, Miss., in place of S. W. Swalm. Incumbent's commission expired April 5, 1932.

#### MISSOURI

Charles C. Stobaugh to be postmaster at Triplett, Mo., in place of C. C. Stobaugh. Incumbent's commission expires February 25, 1933.

Ernest Young to be postmaster at Verona, Mo., in place of Ernest Young. Incumbent's commission expires February 28, 1933.

#### MONTANA

Ovid S. Draper to be postmaster at Bonner, Mont., in place of O. S. Draper. Incumbent's commission expires February 13, 1933.

Ernest M. Hutchinson to be postmaster at Whitefish, Mont., in place of E. M. Hutchinson. Incumbent's commission expires February 25, 1933.

#### NEW HAMPSHIRE

Silas C. Newell to be postmaster at Newport, N. H., in place of S. C. Newell. Incumbent's commission expires February 28, 1933.

Ernest D. Royce to be postmaster at Somersworth, N. H., in place of E. D. Royce. Incumbent's commission expires February 28, 1933.

#### NEW JERSEY

Harvey E. Harris to be postmaster at Bloomfield, N. J., in place of H. E. Harris. Incumbent's commission expires February 25, 1933.

Frank W. Cassidy to be postmaster at Cape May, N. J., in place of F. W. Cassidy. Incumbent's commission expires February 28, 1933.

#### NEW YORK

Carl H. Hamlin to be postmaster at Brushton, N. Y., in place of C. H. Hamlin. Incumbent's commission expires February 28, 1933.

Byron W. Cornwell to be postmaster at Clark Mills, N. Y., in place of B. W. Cornwell. Incumbent's commission expires February 28, 1933.

Ernest E. Fuller to be postmaster at Copake, N. Y., in place of E. E. Fuller. Incumbent's commission expires February 28, 1933.

Wendell C. Wilber to be postmaster at Delanson, N. Y., in place of W. C. Wilber. Incumbent's commission expires February 28, 1933.

Celia D. White to be postmaster at Fishkill, N. Y., in place of C. D. White. Incumbent's commission expires February 20, 1933.

Mary A. Murphy to be postmaster at Forestport, N. Y., in place of M. A. Murphy. Incumbent's commission expires February 28, 1933.

Clarence J. Weyant to be postmaster at Fort Montgomery, N. Y., in place of C. J. Weyant. Incumbent's commission expires February 20, 1933.

Georgina Percival to be postmaster at Mount Upton, N. Y., in place of F. C. Percival, deceased.

Morgan C. Harris to be postmaster at Newport, N. Y., in place of M. C. Harris. Incumbent's commission expires February 28, 1933.

James P. Walker to be postmaster at Port Jefferson Station, N. Y., in place of J. P. Walker. Incumbent's commission expires February 28, 1933.

Henry I. Brenzel to be postmaster at Red Hook, N. Y., in place of H. I. Brenzel. Incumbent's commission expires February 20, 1933.

Agnes Siems to be postmaster at Wantagh, N. Y., in place of Agnes Siems. Incumbent's commission expires February 28, 1933.

Harry S. Bowers to be postmaster at Wayland, N. Y., in place of H. S. Bowers. Incumbent's commission expires February 28, 1933.

#### NORTH CAROLINA

Van D. Duncan to be postmaster at Clayton, N. C., in place of V. D. Duncan. Incumbent's commission expires February 28, 1933.

Malcom J. Thornton to be postmaster at Clinton, N. C., in place of M. J. Thornton. Incumbent's commission expires February 28, 1933.

Sidney A. Padgett to be postmaster at Ellenboro, N. C., in place of S. A. Padgett. Incumbent's commission expires February 28, 1933.

Cephus Futrell to be postmaster at Murfreesboro, N. C., in place of Cephus Futrell. Incumbent's commission expires February 25, 1933.

Alfred A. McDonald to be postmaster at Parkton, N. C., in place of A. A. McDonald. Incumbent's commission expired December 13, 1932.

David J. Lewis to be postmaster at Rocky Point, N. C., in place of D. J. Lewis. Incumbent's commission expires February 28, 1933.

#### NORTH DAKOTA

Henry D. Mack to be postmaster at Dickey, N. Dak., in place of H. D. Mack. Incumbent's commission expires February 25, 1933.

Roy Wigness to be postmaster at Fortuna, N. Dak., in place of Roy Wigness. Incumbent's commission expires February 28, 1933.

Johanes Folstad to be postmaster at Goldenvalley, N. Dak., in place of Johanes Folstad. Incumbent's commission expires February 28, 1933.

Hugh Roan to be postmaster at Portal, N. Dak., in place of Hugh Roan. Incumbent's commission expires February 28, 1933.

Rose M. Tharalson to be postmaster at San Haven, N. Dak., in place of T. H. Tharalson, resigned.

Carrie E. Kempshall to be postmaster at Taylor, N. Dak., in place of C. E. Kempshall. Incumbent's commission expires February 25, 1933.

Jacob G. Sigurdson to be postmaster at Upham, N. Dak., in place of J. G. Sigurdson. Incumbent's commission expires February 28, 1933.

Katherine Ritchie to be postmaster at Valley City, N. Dak., in place of Katherine Ritchie. Incumbent's commission expires February 25, 1933.

Leland Q. Perkins to be postmaster at Wilton, N. Dak., in place of L. Q. Perkins. Incumbent's commission expires February 28, 1933.

John W. Ackerman to be postmaster at Wishek, N. Dak., in place of J. W. Ackerman. Incumbent's commission expires February 28, 1933.

Margaret T. Rogers to be postmaster at Zap, N. Dak., in place of N. J. Joyce, removed.

## OHIO

Ferdinand H. Schuster to be postmaster at Bellevue, Ohio, in place of F. H. Schuster. Incumbent's commission expires February 25, 1933.

Hattie L. Davison to be postmaster at Magnolia, Ohio, in place of H. L. Davison. Incumbent's commission expires February 28, 1933.

Earl T. Ewing to be postmaster at Wellsville, Ohio, in place of E. T. Ewing. Incumbent's commission expires February 25, 1933.

## OKLAHOMA

Ada Vanscoy to be postmaster at Dill, Okla., in place of Ada Vanscoy. Incumbent's commission expires February 28, 1933.

Charles H. Wilson to be postmaster at Eufaula, Okla., in place of C. H. Wilson. Incumbent's commission expired January 19, 1933.

William H. McBrayer to be postmaster at Haworth, Okla., in place of W. H. McBrayer. Incumbent's commission expires February 28, 1933.

John I. Lumley to be postmaster at Hennessey, Okla., in place of S. A. Snyder. Incumbent's commission expired January 22, 1931.

Oscar F. Fowler to be postmaster at Redrock, Okla., in place of O. F. Fowler. Incumbent's commission expires February 20, 1933.

## PENNSYLVANIA

Frank C. Weber to be postmaster at Ambler, Pa., in place of F. C. Weber. Incumbent's commission expires February 20, 1933.

William G. Hall to be postmaster at Avella, Pa., in place of W. G. Hall. Incumbent's commission expires February 28, 1933.

Beulah Oswalt to be postmaster at Clarence, Pa., in place of Beulah Oswalt. Incumbent's commission expires February 7, 1932.

Howard D. Rushong to be postmaster at Collegeville, Pa., in place of H. D. Rushong. Incumbent's commission expires February 28, 1933.

Eliza J. Willhide to be postmaster at East McKeesport, Pa., in place of E. J. Willhide. Incumbent's commission expires February 28, 1933.

Edward Hoffner to be postmaster at Edge Hill, Pa., in place of Edward Hoffner. Incumbent's commission expires February 28, 1933.

Chester P. McCoy to be postmaster at Elmora, Pa., in place of C. P. McCoy. Incumbent's commission expires February 28, 1933.

Clarence R. Orris to be postmaster at Glassmore, Pa., in place of L. S. Matiska, deceased.

Levi Conner to be postmaster at Glen Campbell, Pa., in place of Levi Conner. Incumbent's commission expires February 28, 1933.

John W. Kuhn to be postmaster at Green Lane, Pa., in place of J. W. Kuhn. Incumbent's commission expires February 28, 1933.

Charles J. Williamson to be postmaster at Greensboro, Pa., in place of C. J. Williamson. Incumbent's commission expires February 25, 1933.

Hobart M. Lord to be postmaster at Hastings, Pa., in place of H. M. Lord. Incumbent's commission expires February 28, 1933.

William Millen to be postmaster at Lansford, Pa., in place of William Millen. Incumbent's commission expires February 28, 1933.

Anna Postupack to be postmaster at McAdoo, Pa., in place of Anna Postupack. Incumbent's commission expired January 11, 1933.

Mary F. Carey to be postmaster at Mahanoy Plane, Pa., in place of M. F. Carey. Incumbent's commission expires February 28, 1933.

V. Ralph Miller to be postmaster at New Oxford, Pa., in place of V. R. Miller. Incumbent's commission expires February 28, 1933.

Arthur J. Davis to be postmaster at Noxen, Pa., in place of A. J. Davis. Incumbent's commission expires February 25, 1933.

Charles W. High to be postmaster at Quincy, Pa., in place of C. W. High. Incumbent's commission expires February 25, 1933.

Charles S. Mayugh to be postmaster at South Mountain, Pa., in place of C. S. Mayugh. Incumbent's commission expires February 28, 1933.

## SOUTH CAROLINA

Eugene M. Easterling to be postmaster at Barnwell, S. C., in place of W. M. Harris. Incumbent's commission expired January 22, 1931.

James M. Byrd to be postmaster at Branchville, S. C., in place of J. M. Byrd. Incumbent's commission expires February 18, 1933.

A. MacLean Fletcher to be postmaster at McColl, S. C., in place of A. M. Fletcher. Incumbent's commission expires February 28, 1933.

Luther V. Martin to be postmaster at Mullins, S. C., in place of L. V. Martin. Incumbent's commission expired January 8, 1933.

Herbert O. Jones to be postmaster at Salley, S. C., in place of H. O. Jones. Incumbent's commission expires February 18, 1933.

## SOUTH DAKOTA

Levi J. Thomas to be postmaster at Ipswich, S. Dak., in place of L. J. Thomas. Incumbent's commission expires February 28, 1933.

Emmett O. Frescoln to be postmaster at Winner, S. Dak., in place of E. O. Frescoln. Incumbent's commission expires February 25, 1933.

## TENNESSEE

Minna M. Carson to be postmaster at Old Hickory, Tenn., in place of M. M. Carson. Incumbent's commission expires February 28, 1933.

## TEXAS

William W. McChristian to be postmaster at Alba, Tex., in place of W. W. McChristian. Incumbent's commission expires February 28, 1933.

John W. Fagg to be postmaster at Blue Ridge, Tex., in place of J. W. Fagg. Incumbent's commission expires February 28, 1933.

Lawrence D. Karger to be postmaster at Cat Spring, Tex., in place of L. D. Karger. Incumbent's commission expires February 28, 1933.

Alfred J. Atkins to be postmaster at Eldorado, Tex., in place of A. J. Atkins. Incumbent's commission expires February 28, 1933.

Kathryne Witty to be postmaster at Hamilton, Tex., in place of Kathryne Witty. Incumbent's commission expires February 25, 1933.

Leslie W. Garrett to be postmaster at Quitman, Tex., in place of L. W. Garrett. Incumbent's commission expires February 25, 1933.

## UTAH

Horace E. Day to be postmaster at Fillmore, Utah, in place of H. E. Day. Incumbent's commission expires February 28, 1933.

## VERMONT

Dennis A. Brahana to be postmaster at Irasburg, Vt., in place of D. A. Brahana. Incumbent's commission expires February 28, 1933.

Aurill E. Mead to be postmaster at Underhill, Vt., in place of W. T. Mead, deceased.



Grace B. Adams to be postmaster at Wells River, Vt., in place of G. B. Adams. Incumbent's commission expires February 28, 1933.

## VIRGINIA

Margaret H. Hardy to be postmaster at McKenney, Va., in place of M. H. Hardy. Incumbent's commission expires February 25, 1933.

Joseph W. Harvey to be postmaster at Montross, Va., in place of J. W. Harvey. Incumbent's commission expires February 28, 1933.

John H. Tyler to be postmaster at Upperville, Va., in place of J. H. Tyler. Incumbent's commission expires February 25, 1933.

## WASHINGTON

James B. Robertson to be postmaster at Kettle Falls, Wash., in place of J. B. Robertson. Incumbent's commission expires February 8, 1933.

## WEST VIRGINIA

Elmer O. Bowyer to be postmaster at Dundon, W. Va., in place of E. O. Bowyer. Incumbent's commission expires February 13, 1933.

Fred E. Cowl to be postmaster at Wheeling, W. Va., in place of F. E. Cowl. Incumbent's commission expires February 25, 1933.

## WISCONSIN

Earle R. Adamson to be postmaster at Belleville, Wis., in place of E. R. Adamson. Incumbent's commission expires February 25, 1933.

Lorenzo F. Rosenthal to be postmaster at Beloit, Wis., in place of L. F. Rosenthal. Incumbent's commission expires February 28, 1933.

Rufus A. Jones to be postmaster at Black River Falls, Wis., in place of R. A. Jones. Incumbent's commission expires February 28, 1933.

Edwin T. Mattison to be postmaster at Blair, Wis., in place of E. T. Mattison. Incumbent's commission expires February 28, 1933.

Arthur G. D. Besse to be postmaster at Butternut, Wis., in place of A. G. D. Besse. Incumbent's commission expires February 25, 1933.

Albert L. Jochem to be postmaster at Cedarburg, Wis., in place of A. L. Jochem. Incumbent's commission expires February 28, 1933.

William S. Cochrane to be postmaster at Delavan, Wis., in place of W. S. Cochrane. Incumbent's commission expires February 28, 1933.

J. Charles Pile to be postmaster at Dodgeville, Wis., in place of J. C. Pile. Incumbent's commission expires February 28, 1933.

Leroy G. Waite to be postmaster at Dousman, Wis., in place of L. G. Waite. Incumbent's commission expires February 25, 1933.

Hjalmar M. Johnson to be postmaster at Eau Claire, Wis., in place of H. M. Johnson. Incumbent's commission expires February 25, 1933.

Frank L. Rolson to be postmaster at Ellsworth, Wis., in place of F. L. Rolson. Incumbent's commission expires February 28, 1933.

Thomas D. Smith to be postmaster at Fairchild, Wis., in place of T. D. Smith. Incumbent's commission expires February 28, 1933.

Vilas A. Kellman to be postmaster at Galesville, Wis., in place of V. A. Kellman. Incumbent's commission expires February 28, 1933.

Emy M. E. Mollenhoff to be postmaster at Iron River, Wis., in place of E. M. E. Mollenhoff. Incumbent's commission expired January 29, 1933.

Hugh S. Caldwell to be postmaster at Lodi, Wis., in place of H. S. Caldwell. Incumbent's commission expires February 28, 1933.

Albert H. Fries to be postmaster at Lone Rock, Wis., in place of A. H. Fries. Incumbent's commission expires February 28, 1933.

Frances W. Kulwiec to be postmaster at Lublin, Wis., in place of F. W. Kulwiec. Incumbent's commission expires February 28, 1933.

Edward W. LeRoy to be postmaster at Marinette, Wis., in place of E. W. LeRoy. Incumbent's commission expires February 20, 1933.

Leo E. Butenhoff to be postmaster at Markesan, Wis., in place of L. E. Butenhoff. Incumbent's commission expires February 25, 1933.

John J. Kocian to be postmaster at Milladore, Wis., in place of J. J. Kocian. Incumbent's commission expires February 28, 1933.

Ellsworth N. Harris to be postmaster at Mineral Point, Wis., in place of E. N. Harris. Incumbent's commission expires February 28, 1933.

John J. Burkhard to be postmaster at Monroe, Wis., in place of J. J. Burkhard. Incumbent's commission expires February 28, 1933.

John A. Dysland to be postmaster at Mount Horeb, Wis., in place of J. A. Dysland. Incumbent's commission expires February 25, 1933.

Henry B. Goodwin to be postmaster at Osceola, Wis., in place of H. B. Goodwin. Incumbent's commission expires February 28, 1933.

Percy L. Miner to be postmaster at Pepin, Wis., in place of P. L. Miner. Incumbent's commission expires February 28, 1933.

Arthur E. Schmidt to be postmaster at Pittsville, Wis., in place of A. E. Schmidt. Incumbent's commission expires February 28, 1933.

Edward B. Shanks to be postmaster at Portage, Wis., in place of E. B. Shanks. Incumbent's commission expires February 28, 1933.

Herbert Hopkins to be postmaster at Randolph, Wis., in place of Herbert Hopkins. Incumbent's commission expires February 28, 1933.

Grace R. Morgan to be postmaster at Spring Green, Wis., in place of G. R. Morgan. Incumbent's commission expires February 25, 1933.

James E. Robar to be postmaster at Walworth, Wis., in place of J. E. Robar. Incumbent's commission expires February 25, 1933.

Louis A. Meininger to be postmaster at Waukesha, Wis., in place of L. A. Meininger. Incumbent's commission expires February 25, 1933.

August J. Christianson to be postmaster at Webster, Wis., in place of A. J. Christianson. Incumbent's commission expires February 28, 1933.

Robert R. Porter to be postmaster at Wheeler, Wis., in place of R. R. Porter. Incumbent's commission expires February 25, 1933.

Samuel P. Van Dyke to be postmaster at Wisconsin Dells, Wis., in place of S. P. Van Dyke. Incumbent's commission expires February 28, 1933.

George A. Murray to be postmaster at Wisconsin Veterans Home, Wis., in place of G. A. Murray. Incumbent's commission expires February 28, 1933.

Arthur Miller to be postmaster at Withee, Wis., in place of Arthur Miller. Incumbent's commission expires February 28, 1933.

## WITHDRAWAL

*Executive nomination withdrawn from the Senate January 31 (legislative day of January 10), 1933*

## POSTMASTER

James J. Mateer to be postmaster at Rosslyn, in the State of Virginia.

## HOUSE OF REPRESENTATIVES

TUESDAY, JANUARY 31, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We wait, Almighty God, in most reverent recognition of Thy eternal Fatherhood. To be denied of this privilege is to miss the finest law of conduct, the master impulse of the best life, and the surest ground of the largest hope. Through